The Journal

of

SOCIAL AND POLITICAL STUDIES

the question of soviet succession
RICHARD W. HARRISON

the front line states: the realities in southern africa
SAMUEL T. FRANCIS

union-management "codetermination" in sweden
ALFRED L. THIMM

unions, unemployment and public order
JOHN A. DAVENPORT

genetic science, social morality and the future of mankind
J. W. JAMIESON

Volume Four Number Two

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OUR CONTRIBUTORS IN THIS ISSUE

John A. Davenport – Author and Former Editor of *Barron's Weekly*; **Samuel T. Francis** – Senior Research Fellow, The Heritage Foundation, Washington, D.C.; **Richard W. Harrison** – Political Analyst, Washington, D.C.; **J. W. Jamieson** – Research Associate, Institute for the Study of Man, Washington, D.C.; **Alfred L. Thimm** – Director, Institute of Administration and Management, Union College, Schenectady, N.Y.

The Journal of Social and Political Studies is published quarterly from 1716 New Hampshire Ave., N.W., Washington, D.C. 20009 (Telephone 202, 232-1040). The price of subscriptions is $25 per annum for libraries, institutions and other corporate bodies. Reduced three year subscription rates are available at a cost of $70 for libraries and other corporate bodies (twelve issues); and special subscription rates are available to faculty members, students, and certain other qualified individuals. Manuscripts are normally solicited by members of the editorial board, but members of the academic community and other interested readers are invited to consult the General Editor at the foregoing address should they be interested in submitting articles for publication.

ISSN 362-580X

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Journal of

SOCIAL and POLITICAL STUDIES

ROGER PEARSON, *General Editor*

Vol. 4 *Summer 1979* No. 2

Contents

The Question of Soviet Succession 99
By Richard W. Harrison

The Front Line States:
The Realities in Southern Africa 123
By Samuel T. Francis

Union-Management "Codetermination" in Sweden 147
By Alfred L. Thimm

Unions, Unemployment and Public Order 175
By John A. Davenport

Genetic Science, Social Morality and
the Future of Mankind 193
By J. W. Jamieson

Book Reviews 199

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

EDITORIAL BOARD

General Editor
Roger Pearson

Associate Editors

James McClellan
University of Virginia

Kenneth W. Watkins
University of Sheffield

George Carey
Georgetown University

Sam S. Crutchfield, Jr.
Washington, D.C.

Ernest van den Haag
New School for Social Research

Thomas R. Haggard
University of South Carolina

John H. Hallowell
Duke University

Garrett Hardin
University of California, Santa Barbara

Dan C. Heldman
Washington, D.C.

Thomas Molnar
Brooklyn College, New York

Harvey Mansfield, Jr.
Harvard University

Robert L. Pfaltzgraff, Jr.
Tufts University

Sylvester Petro
Wake Forest University

John J. Tierney, Jr.
U.S. Congressional Staff

Alan Beattie
London School of Economics

Stuart Butler
Adam Smith Institute, London

David Dilks
University of Leeds

Jürgen Domes
University of Saarbrücken

Daniel Ellegiers
University of Brussels

Julien Freund
University of Strasbourg

Murray Forsyth
University of Leicester

James Mayall
London School of Economics

Helmut Schelsky
Westfälische Universität, Munster

Udo Weiss
University of Heidelberg

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE QUESTION OF SOVIET SUCCESSION

By Richard W. Harrison

It is generally agreed that death or retirement will overtake Leonid I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union and Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., in the near future. Either event will necessitate the naming of a successor for both posts, and this forthcoming succession will have major consequences far beyond the borders of the Soviet Union. Although even in the Soviet Union there are certain built-in barriers which constrict the freedom of action of any one individual, the personality of any leader has its own particular consequences. In this article, we will therefore examine the various succession contingencies, but before doing so we will first review the career of the present Soviet leader, since this provides us with valuable background material.

Brezhnev's Background

Born in 1906 in southern Russia, Leonid Il'ich Brezhnev entered the Communist Party at the age of 25. As a result of the opportunities created by Stalin's purges during the mid- and late 1930s, with the subsequent need for fresh cadres, Brezhnev rose quickly, to become a secretary of the Dnepropetrovsk *obkom* (provincial committee) in the Ukraine in 1939.

During World War II and immediately thereafter Brezhnev served as a political commissar in the army and in other military-related posts, before attaining national status in 1950 consequent upon his appointment as First Secretary of the Communist Party of Moldavia – in effect the ruler of that republic. Brezhnev was elected a member of the CPSU Central Committee, and also became a secretary of that body, at the 19th Party Congress in October 1952. However, his career suffered a temporary eclipse following Stalin's death in March 1953, when the deceased dictator's lieutenants successfully pushed aside younger men like Brezhnev. Nikita S. Khrushchev gave Brezhnev his ticket back into the limelight in 1955, when he appointed Brezhnev First Secretary of the Communist Party of Kazakhstan, with special responsi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bility for the "Virgin Islands" program of increasing crop acreage. Khrushchev must have thought highly of Brezhnev at this time, for he was summoned back to Moscow in 1956, where he resumed his duties as a secretary of the Central Committee.

Brezhnev's loyalty was rewarded with a seat on the Central Committee Presidium (after 1966, the Politburo) in 1957. In June of that year Khrushchev had just defeated the "anti-party group" of Molotov, Kaganovich, Malenkov and others, and needed reliable men to take their place. However, Brezhnev's lucky star deserted him again in 1960, when he was relieved of his responsibilities on the Secretariat and "kicked upstairs" as Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., a position of relatively little influence, and it was not until 1963 when his chief rival, Frol Kozlov, was incapacitated by a stroke, that Brezhnev resumed his duties as a Central Committee secretary. Finally, during the October 1964 plenum of the Central Committee, Khrushchev was stripped of all his posts and Brezhnev picked up the reins as First Secretary of the Central Committee. This title was upgraded to General Secretary (Stalin's old title) at the 23rd Party Congress in 1966, as a recognition of Brezhnev's increased influence.

After thirteen years in a purely party position, Brezhnev was once again named Chairman of the Presidium of the Supreme Soviet of the U.S.S.R. in June of 1977, resuming the position he had vacated in 1964. This already was significant primarily in that it involved the removal from that post of Nikolai V. Podgorny, who had already been relieved of his seat on the CPSU Politburo earlier that same year. But Brezhnev obviously is in poor health and each new illness seems to put him out of action for longer periods of time and makes the succession issue all the more acute. Even now, the delicate condition of Brezhnev's health raises serious questions about his ability to engage in protracted negotiations with foreign leaders.

The Role of the General Secretary and the Problems of Succession

The position of General Secretary of the Central Committee of the CPSU is the most powerful post in the hierarchy of the Soviet party and, therefore, of the country. Through his leadership of the Central Committee Secretariat, the General

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Secretary disposes of vast patronage and appointive powers which he can use to promote his supporters and to sabotage the careers of his opponents.

In the entire history of the Soviet Union only three men have carried the title (or its equivalent) of First Secretary. They are J. V. Stalin (1922-1953), N. S. Khrushchev (1953-1964), and the present General Secretary, L. I. Brezhnev (1964-)*. In all three cases the fact that these men held the top party posts appears to have coincided with a degree of dominance over their colleagues.

Any new General Secretary would probably have to meet certain basis criteria. The most important of these is probably ethnic background, and in today's climate it is most likely that a Russian will succeed. In addition, any future General Secretary is likely to be in the region of 55 to 65 years of age. Stalin was 42 when he assumed the post, Khrushchev 58, and Brezhnev 57. A younger man would most likely assure a reign of at least ten years, thus avoiding the dislocations of too-frequent succession periods.

The new General Secretary will have to have a solid background in a number of fields, such as industrial management, agriculture, foreign policy, defense and party administration. By the time Khrushchev and Brezhnev acceded to the post, both had acquired several years of experience at the regional and republic level in party administration, economic management, and both had developed extensive contacts within the military and related industries. Traditionally, the field of foreign affairs is the weak link in a successor's background, and the area in which he is least likely to assert his authority early in his rule.

A new General Secretary will also be confronted with a number of problems which are becoming increasingly acute. Chief among these are the continuing slowdown in economic growth and a chaotic distribution network, stemming in part from an inefficient, highly-centralized economic system which is proving to be increasingly incapable of managing the complexities of a developed economy.

Another problem is demographic. The birth rate of the Soviet Union's non-Russian nationalities, especially the non-

*This excludes the two-week tenure of G.M. Malenkov as party boss immediately after Stalin's death in 1953.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Slavic peoples of the trans-Caucasus and Central Asia, is much higher than that of the Russians and, indeed of the Slavs in general. As of today, Great Russians make up only 50 percent of the population of the Soviet Union, although they continue to dominate all areas of national life. Given the great disparity in birth rates and the always present ethnic tensions within the U.S.S.R., this indicates the possibility of tensions which may increase with time.

The problem of nationalities ties in with another less well-known dilemma – the loss of revolutionary fervor in the Soviet Union. The ideological decline of Marxism has progressed far, and with the loss of revolutionary zeal goes the very justification for the Soviet state. Thus the temptation grows for future Soviet leaders to fall back on Great Russian nationalism as a prime motivating and legitimizing force. However, this would certainly exacerbate existing national tensions within the Soviet state. All of these problems demand radical solutions which the present leadership has until now managed to avoid.

The Concentration of Power

Related to the matter of authority is the question of how much power the new General Secretary will actually possess. During both the Stalin and Khrushchev successions the idea of "collective" leadership was stressed. Although the situation changed and both Khrushchev and Brezhnev were able to assert their dominance over the party, lip service continued and still continues to be paid to the idea of collectivity over one-man rule.

It is quite likely that following the departure of Brezhnev, the collective character of the leadership will be emphasized no matter who replaces him. As things stand now, no one man is in a position to exert the kind of control over the party and state that Stalin, or even Brezhnev, possessed. It is also extremely unlikely that the present or future Politburo members would countenance an importunate and premature grab for power by a future General Secretary.

It has been maintained by some that while the General Secretary does possess tremendous power, he is today more the representative of competing interest groups within the party and government. Given the growing complexity of Soviet

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

society as a whole and the increasing dispersal of power among the lower party and government organs – and their resulting ability to frustrate central policy initiatives – there may be much truth in this observation.

There has also been much speculation over the years as to what role the secret police (KGB) and the military might play in picking Brezhnev's successor. As in most questions dealing with Soviet internal politics, it is impossible for an outsider to forecast accurately what role these two organizations might play, although a few historical examples may shed some light. Immediately after Stalin's death the secret police were prevented from exerting any influence by the timely execution of their leader, L. P. Beria, who had planned to use the power he had accrued under Stalin to eliminate his own rivals. The army, in the form of the late Marshal G. K. Zhukov, played an important role by using military aircraft to transport Khrushchev's supporters on the Central Committee to the decisive June 1957 plenum of that body, leading to the expulsion of Khrushchev's enemies from the party Presidium. In October 1964, Khrushchev was met on his return to Moscow by V. E. Semichastny (KGB chief from 1961-67), who had been detailed to escort Khrushchev to the Central Committee plenum that decreed his deposition.

Thus it would seem that the role of the secret police and the military in these matters has actually decreased in comparison to the Stalin years, although the institutional influence of both these organizations seems to have increased over the years. For example, in April 1973, Y. V. Andropov, head of the KGB since 1967, was promoted from candidate to full member of the CPSU Politburo along with Defense Minister A. A. Grechko. When Grechko died three years later he was replaced as defense minister by D. F. Ustinov, also a Politburo member, who was promoted to the rank of Marshal of the Soviet Union in July 1976. In addition, the armed forces have always been well-represented on the Central Committee.

However, barring unforeseen developments, it is generally considered unlikely that either the KGB or the armed forces will have any significant role in the upcoming succession. Due to the close integration of both organizations with the party and government, the multitude of restrictions and strict party supervision, there is little chance that either body would or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

could act independently.

The CPSU Politburo

The CPSU Politburo is the supreme decision-making body of the Communist Party and, therefore, of the entire Soviet Union, although in theory it derives its mandate from the party congresses which meet every five years. The Politburo is also the executive organ of the CPSU Central Committee, in which power is supposed to reside between party congresses. However, the large (and still increasing) size of the Central Committee, the geographic dispersal of its membership, and the historic centralizing tendencies within the CPSU are all factors which have combined to weaken the Central Committee's role *vis-a-vis* the Politburo.

Under Stalin the Politburo (and the party in general) declined in importance due to the dictator's preference for carrying on business through the government apparatus. Since Stalin's death both Khrushchev and Brezhnev have worked successfully to restore the supremacy of the party over the government, until currently the party positions are recognized as the more advantageous road to power and perquisites.

It should be emphasized, however, that the division between party and government is, in practice, largely artificial. Rather, the upper echelons of both party and government form an interlocking web of responsibility, as shown in the accompanying table.

Full Members

The present CPSU Politburo consists of 13 full members, and nine candidate members who do not have a vote in party deliberations. Of the thirteen, ten are Russians, while the remaining three consist of a Ukrainian, a Latvian, and a Kazakh. The average age of the full members of the Politburo at the end of 1979 will be 69.3, the eldest being the Old Bolshevik Pel'she, who will be 80, and the youngest, Leningrad *obkom* First Secretary Grigori V. Romanov, who will be 56. The following is a list of the membership of the Politburo, their ages at the end of 1979, present position, and the dates when they attained the post.

A number of Kremlinologists contend that there is an "inner circle" within the Politburo made up of older men who share

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the same experiences and beliefs, and who exert a decisive influence on that body. Besides Brezhnev, the other members of this group include A. N. Kosygin, M. A. Suslov, and A. P. Kirilenko.

Kosygin was born in 1904, in St. Petersburg (now Leningrad) and fought on the side of the Bolsheviks as a young man during the Civil War. He joined the party in 1927 and moved up rapidly in various industry-related government posts, becoming a deputy chairman of the Council of People's Commissars (after 1946, the Council of Ministers) in 1940 after having been elected to the Central Committee in 1939. As a promising young technocrat under Stalin, Kosygin was made a member of the Politburo in 1948. Soon afterwards he went into a temporary decline, probably as a result of the "Leningrad Affair," and was removed from the Politburo in 1952, and regaining that position only in 1960, the same year in which he was appointed First Deputy Chairman of the Council of Ministers – the position directly under Khrushchev.

He replaced his boss as Chairman of the Council of Ministers in October 1964, in the division of Khrushchev's posts which took place after his ouster. As head of the government Kosygin was the Soviet Union's chief spokesman in foreign affairs until about 1971, when Brezhnev became the dominant voice. Since then Kosygin's influence has diminished on all fronts. This factor, his advanced age, and his nearly exclusive career in the government apparatus make him an extremely unlikely candidate to succeed Brezhnev.

Suslov, long the "gray eminence" of Soviet politics, was born in 1902 and joined the Communist Party in 1921. His early career was spent chiefly as a student, then as an instructor in the party's ideological academies. From 1939 to 1941 he served as First Secretary of the Stavropol *obkom*, and as a political commissar on the Transcaucasian Front from 1941 to 1944, where he was responsible for carrying out the deportation of a number of Caucasian tribes suspected of pro-German sympathies. (1) He was also made a member of the CPSU Central Committee in 1941. Suslov evidently performed his Caucasian assignment so well that he was sent by Stalin to Lithuania in 1944 to crush the widespread anti-Soviet partisan movment there which lasted until 1947.

Suslov moved to Moscow in 1947 to take up duties as a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CHIEF ORGANS OF THE COMMUNIST PARTY AND THE SOVIET GOVERNMENT

PARTY		GOVERNMENT	
POLITBURO	SECRETARIAT	COUNCIL OF MINISTERS	PRESIDIUM OF THE SUPREME SOVIET
F Brezhnev	Brezhnev		Brezhnev
U Andropov		Andropov	
L Grishin			Grishin
L Gromyko		Gromyko	
L Kirilenko	Kirilenko		
Kosygin		Kosygin	
M Kunaev			Kunaev
E Pel'she			
M Romanov			Romanov
B Suslov	Suslov		
E Ustinov		Ustinov	
R Chernenko	Chernenko		
S Shcherbitsky			Shcherbitsky
C			
A Aliev			
N Demichev		Demichev	
D Kuznetsov			Kuznetsov
I Masherov			Masherov
D Ponomarëv	Ponomarëv		
A Rashidov			Rashidov
T Solomentsev		Solomentsev	
E Tikhonov		Tikhonov	
S Shevardnadze			
	Gorbachëv		
	Dolgikh		
	Zimyanin		
	Kapitonov		
	Rusakov		

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

secretary of the Central Committee, a position he has now held for over three decades. He was also chief editor of *Pravda* from 1949 to 1950. In 1955, during the maneuvering between Khrushchev and Malenkov, Suslov was made a member of the Politburo. However, in spite of his support of Khrushchev during these years, Suslov reportedly made the main speech against him at the secret Central Committee plenum in October 1964, during which Khrushchev was stripped of his party and government posts.

Since that time Suslov has been a charter member of the "inner circle" of the Politburo. However, his lack of experience in regional party and economic administration (outside the realm of ideology), combined with his advanced age and forbidding public visage make it doubtful that he would be in a position to succeed Brezhnev. It is quite likely, however, that when Brezhnev finally leaves the scene Suslov could play a major role as "kingmaker."

Kirilenko was born in 1906, the same year as Brezhnev, a man with whom he has been closely associated for over 30 years. Kirilenko entered the party in 1931 and also made rapid headway during Stalin's purges and the subsequent war years to become Second Secretary of the Zaporozh'e *obkom* (in the Ukrainian SSR) under Brezhnev during the latter's tenure there in the late 1940s. Their careers have been closely intertwined ever since. Afterwards, Kirilenko served in a number of other provincial party posts in the Ukrainian and Russian republics, finally becoming a member of the Central Committee in 1956. He was a candidate member of the Presidium from 1957 to 1961, was dropped, but managed to return as a full member in 1962. Kirilenko has been a secretary of the CPSU Central Committee since 1966.

Kirilenko has long been touted as an interim successor to Brezhnev. In spite of his Ukrainian-sounding name, Kirilenko is a Russian, an important factor in the ethnic-conscious Soviet Union. Although a few months older than Brezhnev, Kirilenko apparently is in good health and seems robust for a man of 73. However healthy Kirilenko may be, given his age, his tenure as General Secretary, if he should replace Brezhnev, could not be for more than a few years at the most.

Recent events, however, have put Kirilenko's political health more into doubt than his physical condition. At the recent

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(April) plenum of the Central Committee, Yakov P. Ryabov was removed from his post as Central Committee secretary in charge of the defense industry, a move presaged a month earlier by his appointment as a first deputy chairman of the State Planning Committee (Gosplan) under N. I. Baibakov, a deputy chairman of the U.S.S.R. Council of Ministers.

The significance of this move lies not so much in Ryabov's personal misfortune as how it reflects on Kirilenko's own position in the hierarchy. Ryabov is seen by some observers as a protege of Kirilenko due to their association in Sverdlovsk, when Kirilenko was First Secretary of the Sverslovsk *obkom* and Ryabov was a party functionary in the city of Sverdlovsk itself. Ryabov's transfer to Moscow in October 1976 to replace D. F. Ustinov, who had become Minister of Defense after Marshal Grechko's death that April, was seen as a significant increment of Kirilenko's influence.

A common tactic in the Soviet political wars is to weaken and isolate a particular individual by removing his supporters from positions of power, as happened to Brezhnev and his cohorts in the early 1960s. This may or may not be the case with Kirilenko, and only time will tell whether Ryabov's recent demotion is related to Kirilenko's own fortunes and whether it augurs the beginning of the end of his own political career.

Besides the three men discussed above, there are two other candidates who may stand a reasonable chance of succeeding Brezhnev as General Secretary. They are Konstantin U. Chernenko, and Grigori V. Romanov. Their careers and prospects will be evaluated below.

Chernenko's meteoric rise to the very top of the leadership circle during the past few years has resulted in a considerable amount of speculation as to his chances of becoming General Secretary after Brezhnev leaves the scene. Chernenko, probably more than any other man among the ruling elite, can be said to owe his good fortune to Brezhnev's patronage. Chernenko joined the party the same year as Brezhnev (1931) and spent the early years of his career engaged in Komsomol (the Soviet youth organization) and other party work, which seems to have been chiefly in the propaganda field. Chernenko first became assocated with Brezhnev in the early 1950s, when the latter was party boss in Moldavia and Chernenko worked in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Central Committee apparatus of the republican party organization. In 1956, perhaps with Brezhnev's help, Chernenko left the provinces for Moscow and work in the CPSU Central Committee. Except for a stint elsewhere in the early 1960s, Chernenko has been connected with the Central Committee ever since, gradually rising through the ranks until he became a secretary in 1976 at the 25th Party Congress, after having been elected to the Central Committee in 1971.

In October 1977 Chernenko was made a candidate member of the Politburo. After only one year in that position he became a full member at the November 1978 plenum of the Central Committee, replacing Kirill T. Mazurov, First Deputy Chairman of the Council of Ministers, who was dropped from the Politburo at that time. All of this has caused observers to wonder whether or not Chernenko might succeed Brezhnev, or even Kirilenko, if the latter becomes General Secretary and retires within a short time.

However, certain factors militate against Chernenko's accession to the top post in the party. Although younger than Kirilenko, Chernenko is 68, ten years older than Brezhnev when he became First Secretary. This and his attendant short tenure on the job might render him ineligible for the top position in the eyes of his colleagues. Also, due to Chernenko's rapid advancement and relatively short sojourn at the top, he has probably not had time to accumulate the necessary political power base that would allow him to achieve the top position or to maintain it in the face of the ambitions of his younger colleagues. There is even considerable doubt as to whether or not Chernenko could hold his present position once his patron departs.

The most likely candidate to succeed Brezhnev, — after a Kirilenko "regency" or without — for a variety of reasons seems to be the Leningrad *oblast'* (province) party chief, G. V. Romanov. Romanov is relatively young (56), Russian, and a man who has advanced quickly to the top of the leadership circle since his promotion to First Secretary of the Leningrad *obkom* in 1970. A Central Committee member since 1966, Romanov became a candidate member of the Politburo in April 1973, during a major shakeup in the leadership. He finally achieved full membership at the 25th Party Congress in March 1976.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

However, Romanov has a number of career-related drawbacks, which could thwart his ambitions, not the least of whch is his Leningrad background, which has traditionally been a liability in Muscovite political circles. His background is deficient in foreign affairs and military matters, and he has had relatively little experience in large-scale economic management. Perhaps most damaging to any hopes he may have is the fact that Romanov remains a provincial party chief and does not hold any influential position – such as that of a Central Committee secretary – in Moscow. If past history is any guide, this is a weakness which will have to be remedied if Romanov expects to advance. During the last two successions – Stalin's from 1953 to 1957; and Krushchev's in 1964 – the eventual victors, Krushchev and Brezhnev, both held posts on the Politburo (Presidium from 1952 until 1966) and the Secretariat. A transfer of this sort under Brezhnev might well be an indication that Romanov is being groomed for a higher post.

Romanov already seems to be obtaining some participation in foreign relations, although the fruits of these particular labors may hardly reassure Western leaders hoping for the emergence of "pragmatic" and less adventuresome Soviet leader. During a recent visit by a group of American senators to Moscow, Romanov asserted that President Carter could force the U.S. Senate to approve the proposed SALT II treaty by threatening to withhold their campaign funds. (2) If Romanov really believes this, he does not appear to understand the realities of the U.S. political scene.

The other seven members of the Politburo can be discounted for a variety of reasons such as age (Pel'she, Ustinov, Grishin), the wrong ethnic background (Pel'she, Kunaev, Shcherbitsky), or because they are tainted or hobbled by their particular official associations (Andropov, Gromyko).

The Candidate Members

Another recruiting ground for a future General Secretary, although not an especially likely one, is from among the membership of the candidate members of the Politburo, i.e., those not having a vote in Politburo deliberations. Of the nine candidate members, two would seem capable of moving up to positions of greater authority. These two men are Piotr N. Demichev and Mikhail S. Solomentsev.

Demichev, the current Minister of Culture, has been cooling

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his heels as a candidate member since 1964. After an initially rapid rise under Khrushchev, his upward mobility seems to have stalled under the Brezhnev regime. In 1961, the same year in which he became a member of the Central Committee, Demichev was made a secretary of the CPSU Central Committee in charge of cultural matters. In what would appear to be a demotion, Demichev lost his job as secretary in late 1974, but picked up his present government position, made vacant by the death of the Minister of Culture, Furtseva.

Any chance Demichev may have of further promotion should come within the next few years, when death or retirement overtakes a number of the full members of the Politburo. Demichev could thus conceivably move up into one of the vacant slots that will be created by the impending turnover. Although his background is weak in the areas of military and foreign affairs and economic management, he should not be ruled out altogether.

Another possible contender is Solomentsev, who was also a Central Committee secretary from 1966 to 1971, when he moved to the government as Chairman of the Council of Ministers of the R.S.F.S.R. (in effect, Prime Minister of the Russian Republic), replacing the already politically moribund Gennadi I. Voronov. Solomentsev's background has been a balanced combination of both party and government work, which has given him a wealth of experience in economic management. His major career gaps are in the areas of military and foreign affairs, and his current position may qualify him more as Kosygin's replacement than as General Secretary.

The other seven candidate members can be ruled out for a variety of reasons. Age should almost certainly disqualify both Kuznetsov (78), Tikhonov (73), and Ponomarëv (74), the old Comintern veteran. The other four members, Rashidov, Masherov, Aliev and Shevardnadze can probably be discounted on the basis of nationality, although this does not necessarily disqualify them from advancement into full member status in order to meet the CPSU's own requirements for token non-Russian representation. Both Aliev and Shevardnadze are Caucasians, Rashidov is a Uzbek and Masherov a Belorussian.

The CPSU Secretariat

The only other likely body from which a future General

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Secretary could be drawn is the CPSU Central Committee Secretariat, in effect, the executive organ of the party. At this time, the Secretariat contains a number of men, any one of whom could conceivably advance to the position of leader. The following is a list of the full CPSU Secretariat showing age, time of appointment and probable areas of responsibility.

Of the ten current secretaries, five do not serve on the Politburo or as candidate members of that body. Of these, one, Rusakov, at age 70 is too old to be a serious contender for a higher position. The four remaining possibilities are Vladimir I. Dolgikh, Ivan V. Kapitonov, Mikhail V. Zimyanin, and Mikhail S. Gorbachëv. The position of secretary in charge of the defense industry is currently vacant due to the removal of Y. P. Ryabov on April 17, 1979. No successor has yet been named.

Dolgikh is a Soviet technocrat *par excellence* who distinguished himself in the mining and metallurgical industry at Noril'sk in the far north of Siberia. After a brief apprenticeship as First Secretary of the Krasnoyarsk *obkom* from 1969 to 1972, he came to Moscow as Central Committee secretary for heavy industry. Both his youth (55) and his strong Siberian roots make Dolgikh an attractive candidate for a higher position within the party. He has been a member of the Central Committee since 1971.

However, Dolgikh's status as a relative newcomer and the fact that he does not have a seat on the Politburo make him a dark horse at this time. There was speculation recently that Dolgikh would be promoted to candidate status on the Politburo during the recent plenum of the Central Committee, but this did not happen. (3) As noted earlier, the eventual winners in the last two successions held positions on both the Politburo (Presidium) *and* the Secretariat.

Ivan V. Kapitonov has been a secretary of the Central Committee since December 1965, having served longer in that position than anyone except Brezhnev, Suslov and Ponomarëv. Kapitonov, a member of the Central Committee since 1952, heads the cadres branch of the Secretariat, where he probably works closely with Kirilenko in the selection and placement of cadres, an obviously important position with extensive powers of patronage. (4) It is perhaps for this very reason that Kapitonov's upward mobility has been stalled for the past

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

decade. Although he will soon be 64, there is still a possibility that the large turnover within the next few years will give Kapitonov an outside chance.

Mikhail V. Zimyanin, secretary for culture and propaganda since 1976, spent most of his early career in the apparatus of the Communist Party in his native Belorussia until 1953. During the mid-1950s, Zimyanin served in a number of diplomatic posts and was editor of *Pravda* from 1965 until 1976, when he was appointed to his present position. He was first elected to the Central Committee in 1952, was dropped in 1956, and re-elected in 1966. His limited occupational background would seem to militate against his chances of reaching the top position, although he may be due for a promotion of some sort within the next few years.

The only remaining secretary with any realistic hopes of moving upwards is Mikhail S. Gorbachëv who, at 48, is the youngest member of the ruling elite. Gorbachëv became the Central Committee secretary in charge of agriculture at the November 1978 plenum of that body, replacing Politburo member Fedor D. Kulakov, who had died the previous July. Little is known about Gorbachëv except that he was First Secretary of the Stavropol Regional Committee (*kraikom*) from 1970 until his present appointment. Gorbachëv is a graduate of Moscow State University (1955) and has worked in the Stavropol region most of his life, becoming First Secretary of the Stavropol *gorkom* in 1966. He was elected a member of the CPSU Central Committee in 1971. Gorbachëv may have ties with M. A. Suslov due to both men's association with the Stavropol area.

Although his specialization in agriculture is not necessarily the best avenue for advancement, if Gorbachev carries out his present duties well, he should by no means be discounted. There are inherent dangers in his present position, however. The agricultural sector has been a traditional burial ground for promising *apparatchiki*, as the careers of D.S. Polyansky and V. V. Matskevich so well illustrate.

Although Central Committee secretaries occupy positions of immense power, their very prominence makes them vulnerable to demotions on the part of the older men on the Politburo, and especially by the General Secretary. Brezhnev, over the years, has shown a marked penchant for freezing the careers

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of a number of fast-rising young men on the Secretariat, whom he may have felt had concentrated too much power in their hands. The careers of K. F. Katushev and A. N. Shelepin may be especially instructive in this regard. Shelepin had long been considered a Brezhnev rival, and was gradually stripped of his various powers and was removed from the Politburo in April 1975. Katushev, appointed as a Central Committee secretary in April 1968 at the age of 41, was replaced by K. V. Rusakov (70) in 1977.

This overall unwillingness on the part of the "elder statesmen" on the Politburo to countenance the advancement of younger men makes the prospect of a post-Brezhnev succession an increasingly uncertain matter with each passing day. In the under-60 group only G. V. Romanov has been elevated to a position of authority on the Politburo, and he is still a provincial secretary based far from Moscow. Perhaps Brezhnev, recalling his own experience under Khrushchev, is reluctant to entrust Romanov with a more powerful position at the center.

Thus, as each year goes by the succession issue and the policies resulting therefrom become more difficult to predict. One thing is likely: with the passage of time and as more of the older rulers fall away, the chances for any sort of continuity in foreign policy grows slimmer as the likelihood of a new leader with less experience in foreign affairs, and less secure in his own position, increases.

No less than fifteen of the twenty-two full and candidate members of the Politburo will be 65 years of age or older at the end of this year, while seven out of the ten Central Committee secretaries will be as old. In the main, these are men who got their start under Stalin and who have held positions of authority for twenty years or more and are experienced in the use of power. Of the remaining handful of potential candidates, there are none whoe would seem to have the requisite experience in conducting foreign policy. An exclusive background in provincial and republic party affairs and Central Committee administration is not the best training ground for someone who will someday be directing Soviet policy worldwide.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Foreign Policy of the Post-Brezhnev Leadership

As the Soviet Union enters the 1980s the leadership, whatever its composition, will be faced with a number of critical choices in the realm of foreign policy. Outwardly, Soviet leaders are confident in their appraisals of the future. In their public statements the leadership maintains that the "historically inevitable" struggle between the capitalist and socialist systems will continue, but without a direct clash between the United States and the Soviet Union. The dangers of nuclear war have been significantly reduced, they aver, due to the growth in the authority and power of the Socialist bloc, led by the Soviet Union. Soviet spokesmen see the world "correlation of forces" – the sum total of moral, economic, political and military factors – as having shifted decisively in favor of the Soviet Union and its allies.

During his speech before the 25th Party Congress in February 1976, Brezhnev explicitly stated that "The passage from cold war . . . to detente was largely connected with changes in the correlation of world forces." (5) Further on Brezhnev provided his audience with the Soviet version of detente.

> It could not be clearer, after all, that detente and peaceful coexistence refer to interstate relations . . . detente does not in the slightest abolish and cannot abolish or alter, the laws of the class struggle. . . . We make no secret of the fact that we see detente as the way to create more favourable conditions for peaceful socialist and Communist construction. (6)

Boris N. Ponomarëv, candidate member of the Politburo and secretary of the CPSU Central Committee, characterized the international situation in a speech delivered in February of this year during the recent election campaign for the Supreme Soviet.

> . . .[T]he communist government has today changed into a force which exerts an ever-growing influence on the course of world events. The entire course of events affirms the correctness of the conclusion that the world correlation of forces has changed in a cardinal way and, that the farther along the more it will change in favor of the forces of peace and socialism. (7)

The views expressed by other Kremlin leaders on foreign

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

policy are almost uniformly the same. If one takes the available public statements as any kind of guide there would seem to be no discernible differences among the leadership with regard to the basic goals of Soviet foreign policy, although there are undoubtedly some disagreements regarding method.

Numerous observers in the United States have speculated on the existence of a "hawk-dove" split in the Kremlin in which both groups are battling for the control of Soviet foreign policy and whose fortunes are highly susceptible to the diplomatic signals emanating from Washington. This contention is quite similar to the arguments made during Stalin's later years and throughout the Khrushchev era, and which have gained a degree of respectability in the U.S. based more on constant repetition than on any solid evidence.

Whatever the case, there can certainly be no doubt that every U.S. administration during the past decade has to some extent taken into account a supposed Soviet "hawk-dove" dichotomy as it seeks to fashion a policy toward the Soviet Union. This seems to be part of an overall tendency in the United States to see Soviet politics as basically a "mirror image" of those in the States, replete with "hawks," "doves" and other contending factions.

There has been much speculation over the years as to what policies a post-Brezhnev leadership would pursue in the area of foreign affairs, especially with regard to the policy of detente. The conjectures range from the suggestions that a new, more "pragmatic" leadership, with a vested interest in improving the East-West dialogue and eschewing foreign adventures, will come to the fore, to the opposing view, that a new and more anti-Western grouping will gain control.

There can be no doubt that foreign policy concerns have become increasingly important to the Soviet leadership since the beginning of the detente era. For example, in May 1972, B. N. Ponomarëv was made a candidate member of the Politburo; and in April 1973, both Defense Minister A. A. Grechko and Foreign Minister A. A. Gromyko were made full members of that body without ever having to serve as candidates.

In the early stages of a post-Brezhnev transition, Soviet policy would probably be relatively moderate and less prone to foreign entanglements. This has certainly been true in the past during both the Statlin and Khrushchev succession periods,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as the ruling groups turned inward and devoted most of their energies to domestic problems and jockeying for power.

Although there have been only three succession periods during the entirety of Soviet history, one thing is unmistakable: in each successive period it has taken the eventual winner longer to assert his control over the party and government and to leave his imprint on a particular policy – especially foreign policy. Brezhnev, for example, did not achieve his dominant position as Soviet foreign policy spokesman until about 1971, nearly seven years after Khrushchev's ouster. The probability that any future General Secretary will have to share power with his colleagues on the Politburo and the inherent restrictions of collegial decision-making would probably make any bold new foreign policy initiatives unlikely, at least at the outset.

However, there is always the possibility that the Soviet Union might become even more adventuresome overseas under a new ruling group. The next leadership team will be the first such team to achieve power in a Soviet Union not regarded as militarily inferior to the U.S., for the advancement of strategic parity with the U.S. has been the outstanding accomplishment of the Brezhnev years. This new sense of power might encourage expansionist tendencies within the new leadership. As one observer put it:

> The new leaders might take the harder course if by then they have finally managed to shake the sense of historical inferiority resulting from the experiences of the 1930s and the war. And some of these people probably have not acquired the temperance and prudence that Brezhnev and Kosygin learned through experience. They might feel, for example, that the risks of the Ethiopian adventure undertaken by this very "old, tired" regime were really not all that great. They might well think that the pattern of extending influence, exploiting conflicts, and generally taking advantage of opportunities rather boldly should be continued. This is not likely to become a permanent policy, but it is a warning signal that when the Brezhnev group retire from the scene, it may be succeeded by people who see interventionism as the norm, who believe that the Soviet Union can intervene in ways that earlier appeared quite risky indeed. (8)

Thus it is that the number of policy options available to a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

future leadership group is almost as great and unknown as the candidates themselves. However, unless Soviet policy takes an unprecedented turn within the next few years in the present analysts' opinion, the odds are strong that the U.S. will be forced to continue meeting Soviet thrusts in every part of the world, and that there is little likelihood of any significant lessening of tensions between the two powers as a result of a change in the top leadership of the Soviet Union.

FOOTNOTES

(1) George W. Simmonds, ed., *Soviet Leaders* (New York: Thomas Y. Crowell Co., 1967), p. 111.

(2) Robert G. Kaiser, "Soviet Talks Shook Visiting Senators," *The Washington Post*, December 24, 1978, p. D1.

(3) David K. Willis, "Kirilenko, Soviet heir apparent, gains," *The Christian Science Monitor*, April 17, 1979, p. 7.

(4) Dimitri K. Simes, et al, *Soviet Succession: Leadership in Transition* (Washington, D.C.: The Center for Strategic and International Studies, 1978), p. 37.

(5) L. Brezhnev, "The World Situation: The International Activity of the CPSU," *Vital Speeches of the Day*, April 1, 1976, p. 363.

(6) *Ibid.*, p. 369.

(7) "For the People's Happiness, for the Cause of Peace and Communism," *Pravda*, February 13, 1979, p. 2. (Translation by the author.)

(8) W. F. Nyland, "Soviet Succession: Leadership in Transition" in Simes, et. al., *op. cit.*, p. 78.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CPSU POLITBURO – June 1979
FULL MEMBERS

BREZHNEV, Leonid I. (73)	First Secretary/General Secretary, CPSU Central Committee (10/64); Chairman, Presidium of the Supreme Soviet of the U.S.S.R. (6/77); Marshal of the Soviet Union (5/76); Chairman, U.S.S.R. Council of Defense (5/76).
ANDROPOV, Yuri V. (65)	Chairman, Committee of State Security (KGB), U.S.S.R. Council of Ministers (5/67); General of the Army (10/76).
GRISHIN, Viktor V. (65)	First Secretary, Moscow City Party Committee (6/67); Member, Presidium, U.S.S.R. Supreme Soviet (1967).
GROMYKO, Andrei A. (70)	Minister of Foreign Affairs, U.S.S.R. Council of Ministers (2/57).
KIRILENKO, Andrei P. (73)	Secretary, CPSU Central Committee (4/66)
KOSYGIN, Aleksei N. (75)	Chairman, U.S.S.R. Council of Ministers (10/64).
KUNAEV, Dinmukhamed A. (67)	First Secretary, Central Committee, Communist Party of Kazakhstan (1960-1962) (12/64); Member, Presidium, U.S.S.R. Supreme Soviet (1962).
PEL'SHE, Arvid Ya. (80)	Chairman, Party Control Committee, CPSU Central Committee (4/66).
ROMANOV, Grigori V. (56)	First Secretary, Leningrad *obkom* (9/70); Member, Presidium, U.S.S.R. Supreme Soviet (1971).
SUSLOV, Mikhail A. (77)	Secretary, CPSU Central Committee (3/47).
USTINOV, Dmitri F. (71)	Minister of Defense, U.S.S.R. Council of Ministers (4/76); Marshal of the Soviet Union (7/76).
CHERNENKO, Konstantin U. (68)	Secretary, CPSU Central Committee (3/76).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SHCHERBITSKY, Vladimir V. (61)	First Secretary, Central Committee, Communist Party of the Ukraine (5/72); Member, Presidium, U.S.S.R. Supreme Soviet (1972).

CANDIDATE MEMBERS

ALIEV, Geidar A. (56)	First Secretary, Central Committee, Communist Party of Azerbaidzhan (7/69).
DEMICHEV, Piotr N. (61)	Minister of Culture, U.S.S.R. Council of Ministers (11/74).
KUZNETSOV, Vasili V. (78)	First Deputy Chairman, Presidium of the Supreme Soviet of the U.S.S.R. (10/77); First Deputy Minister of Foreign Affairs (2/55).
MASHEROV, Piotr M. (61)	First Secretary, Central Committee, Communist Party of Belorussia (3/65); Member, Presidium, U.S.S.R. Supreme Soviet (1966).
PONOMARËV, Boris N. (74)	Secretary, CPSU Central Committee (10/61).
RASHIDOV, Sharaf R. (62)	First Secretary, Central Committee, Communist Party of Uzbekistan (3/59); Member, Presidium, U.S.S.R. Supreme Soviet (1966).
SOLOMENTSEV, Mikhail S. (66)	Chairman, R.S.F.S.R. Council of Ministers (7/71).
TIKHONOV, Nikolai A. (74)	First Deputy Chairman, U.S.S.R. Council of Ministers (1976).
SHEVARDNADZE, Eduard A. (51)	First Secretary, Central Committee Communist Party of Georgia (9/72).

SECRETARIAT OF THE CPSU CENTRAL COMMITTEE – June 1979

*BREZHNEV, Leonid I. (73)	General Secretary (10/64)
GORBACHEV, Mikhail S. (48)	Agriculture (11/78)
DOLGIKH, Vladimir I. (55)	Heavy Industry (12/72)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ZIMYANIN, Mikhail V. (65)	Culture, propaganda (3/76)
KAPITONOV, Ivan V. (64)	Cadres (12/65)
*KIRILENKO, Andrei P. (73)	Organizational Affairs (4/66)
*PONOMARËV, Boris N. (74)	Non-ruling communist parties (10/61)
RUSAKOV, Konstantin V. (70)	Communist bloc relations (5/77)
*SUSLOV, Mikhail A. (77)	Ideology, International Communism (3/47)
*CHERNENKO, Konstantin U. (68)	General Department (3/76)

* *member of CPSU Politburo*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Reviewing the Dimensions of Our World

ORBIS

A Journal of World Affairs published by the Foreign Policy Research Institute in association with the International Relations Graduate Group, University of Pennsylvania

ORBIS is a quarterly journal of world affairs dedicated to the proposition that it is possible to bridge the gap between academic scholarship and policy relevance. For more than twenty years ORBIS has been publishing perceptive, thought-provoking articles on international relations, whether political, economic or sociocultural. A special feature of each issue, "Reflections on the Quarter," analyzes developments in specific areas of current interest. Also included are review essays on recent books, short notes on publications received, and letters to the Editor.

Mail orders to:

Circulation Manager, ORBIS, 3508 Market Street, Suite 350, Phila., Pa. 19104

SUBSCRIPTION ORDER FORM

Please begin my ORBIS subscription immediately.

☐ One year $12 (Individual)
☐ One Year $20 (Institution)
☐ Payment enclosed
☐ Bill me later

Outside U.S.A.: Add $2 per year.

Name

Address

City

State Zip Country

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FRONT-LINE STATES: THE REALITIES IN SOUTHERN AFRICA

By Samuel T. Francis

The Front Line States (FLS) are five subsaharan African nations close to or actually adjacent to Zimbabwe/Rhodesia: Angola, Botswana, Mozambique, Tanzania, and Zambia.(1) All are relatively new nations, all are former white-ruled colonies now ruled by black Africans, and all have played and continue to play an important role in the struggle against Zimbabwe/Rhodesia and white-ruled South Africa.

The FLS share other characteristics as well. With one exception, all are "one-party" states where Western ideas and institutions concerned with political and personal liberties do not apply. Some have established special relationships with the Soviet Union and its satellites. In all of them the economy is at best underdeveloped and at worst in a state of crisis. Finally, these five states are among the most important in Africa, due to their size, economic resources and geographical location. In consequence, their policies play an important role in determining the attitudes of the Third World toward southern Africa and, indeed, the western world as a whole.

The significance of the FLS in U.S. foreign policy reflects their common characteristics. Their relationship with Zimbabwe/Rhodesia and South Africa is crucial for the future stability of the region and the American relationship with southern Africa. It is in terms of cooperation with the FLS that the U.S. has sought to negotiate a settlement in Rhodesia, but these efforts have so far been a failure. (2) Their natural resources make their economic development and accessibility important to the U.S. and West European economies, as does their international financial status. Their geopolitical position, dominating the peninsula of southern Africa and facing both the Indian and South Atlantic Oceans, gives them special strategic importance for the U.S. and its access to Mideastern oil.

In the recent past U.S. relations with these states have not been friendly. Their anti-Western ideologies and policies have tended to view the United States as an imperialist state allied with white oligarchies in South Africa and Rhodesia (and previously with Portugal), and the influence of the Soviets has

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

encouraged this perception. In reassessing U.S. policy, some legislators advocate a more active and sympathetic relationship with the FLS. Thus, it is urged that economic assistance should be given to them to develop a friendlier relationship and to promote their stabilization. Since the conflicts in southern Africa have led to massive refugee problems for these states, aid specifically oriented toward refugee assistance is urged. Also, some advocate international credit to assist the FLS with their balance of payments deficit with the West and promote economic linkages with Western states.

Clearly this involves a massive amount of aid. In 1975, for example, the Carter Administration sought congressional approval for $5 million for refugee assistance in Botswana, Mozambique, and Zambia. A further $500,000 was proposed to finance education and training in Mozambique. From 1962 to 1977, total U.S. assistance to these five states was as follows:

TOTAL U.S. AID, 1962-1977

Angola	$00.2 million (all in 1977)
Botswana	$45.9 million
Mozambique	$17.5 million
Tanzania	$195.2 million
Zambia	$14.2 million

Source: Foreign Operations Subcommittee of the House Appropriations Committee.

In addition, the World Bank and International Monetary Development Association, as of June 30, 1978, has lent the following amounts to the FLS:

APPROVED WORLD BANK AND IDA CUMULATIVE LENDING OPERATIONS TO FRONTLINE STATES, June 30, 1978

	U.S. $ Amount	Number of Loans & Credits
Angola	----------	----------
Botswana	$108,050,000	14
Mozambique	----------	----------
Tanzania	$604,900,000	15
Zambia	$552,750,000	22
TOTAL	$1,265,700,000	51

Source: World Bank

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The U.S., it should be noted, contributes over 28 percent of the total World Bank subscription.

Despite the humanitarian intentions of much of this aid, some legislators feel that its usefulness has not been demonstrated. The success of such programs depends on the nature of the governments that receive it. The inefficiencies, corruption, instability, and outright tyranny in several of the Front-Line States raise questions of how these governments use such assistance.

Angola

Internal Politics

Portugal granted independence to Angola in 1975. Prior to as well as after independence, three liberation movements contested for control of Angola. These were the Popular Movement for the Liberation of Angola (MPLA) founded in 1956 and active in armed struggle since 1961, led by Dr. Agostinho Neto, a Marxist poet who was a member of the Portuguese Communist Party and an associate of guerrilla leader Amilcar Cabral; the National Front for the Liberation of Angola (FNLA), which in 1962 established a Revolutionary Government in Exile in Zaire, led by Holden Roberto, a Baptist and reportedly the son-in-law of Zaire's President Mobutu Sese Soko; and the National Union for the Total Independence of Angola (UNITA), founded in 1966 and led by Dr. Jonas Savimbi, formerly associated with the FNLA. Neto's MPLA was closely associated with the Soviet Union, which gave it assistance, while the movements of Roberto and Savimbi were associated with Communist China, which in 1974 provided considerable assistance to their groups.

Angola became independent on November 11, 1975, and a bitter struggle erupted among the three groups. Neto and the MPLA received substantial assistance from the USSR and about 18,000 Cuban troops assisted them to become dominant. The FNLA and UNITA formed a common government, the Peoples' Democratic Republic of Angola, in January 1976, with Dr. Savimbi as President. Despite the dominance of Neto's faction, these rivals appear still to threaten the MPLA government and to control considerable parts of the country. Another resistance movement, the Front for the Liberation of Cabinda Enclave (FLEC), long associated with the FNLA, is a separatist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

movement in the oil-rich Cabinda province. More recently, the Movement for the Socialist Union of Angola (MUSA) has been founded by Moises Andre. Andre was trained by the Soviets in Moscow and was a member of the FNLA and MPLA, though he now claims to be anti-Marxist and nationalist. The source of funds for the MUSA is not known.

Since taking power Neto has stayed close to the Soviets and their allies and has sought to construct a "socialist" state on Marxist lines. The government is that of a single party with no constitution, The news media and much private property, as well as all medical care, have been nationalized. The *World Survey of Freedom*, published by Freedom House, in both 1978 and 1979 included Angola in the "least free" category in both political and civil liberties (along with North Korea and Cambodia). On a rating of 1-7 (seven being "least free" and 1 being "most free") Angola is rated seven in both categories. In contrast, Rhodesia had a higher rating of 6 and 5 respectively in civil and political rights in 1978, and this was upgraded to 5 and 4 in 1979.

Neto, who is a medical doctor with literary ambitions, appears to be well versed in and dedicated to Marxism-Leninism. He refuses to allow any opposition or coalition with other liberation movements. Despite his advocacy of and assistance to "liberation" in Rhodesia, Neto himself is a mulatto, married to a white Portuguese. He speaks no African languages, and few Africans hold position in the Angolan leadership. He frequently sends his family to Portugal, where the families of his Defense, Finance, and other high ranking Ministers live. The MPLA is made up largely of mulattoes, who represent only 5 percent of the population of Angola (about the same percentage as whites in Rhodesia).

Neto's regime was effectively overthrown on May 27, 1977 by black dissident members of the MPLA led by former Interior minister Nito Aves Batista, but this revolt was suppressed by Cuban troops on behalf of Neto's government.

Economy

The two most important events for Angola's economy since independence have been the Marxist orientation of the government and the exodus of the vast majority of white settlers following independence. Prior to decolonization, approximately

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

500,000 whites lived in Angola. Almost entirely Portuguese, they were largely settlers who provided the bulk of the technical and managerial infra-structure of the province. In the first six months of independence, over 200,000 whites left Angola, and at the present time, 400,000 whites have left. Not only did the mass emigration mean the withdrawal of most of the trained personnel, but also the Europeans left behind a vast amount of property that was taken over by the new government, some being redistributed to the indigenous Angolans. In addition, Neto has made no secret of his commitment to socialist ideology in economic policy, his hostility to the private sector and the free market, and his general economic plans. Addressing a trade union conference Neto has stated:

> The long period of transition from a colonial society to a socialist society will call for a multi-sided form of economic organization. The progress of our economic transformation towards socialism will be expressed by a steady growth of both the State sector and the cooperative sector in the rural areas, and by a steady reduction of the mixed sector, of the private capital sector . . . . But we do not want to deceive anyone by concealing the fact that we intend to follow the road to socializing our means of production, of finances, of trade, of services, and of everything that can be socialized; and that we intend to do this as rapidly as possible. (*African Freedom Annual*, 1978, p. 24)

As of 1977, the government had implemented Neto's policies to the extent of nationalizing 100 percent of the production of coffee and cotton, sugar, oil, ship repairs, beer breweries, banks, and the media of communication. One hundred percent of oil distribution and 61 percent of diamond production had also been nationalized. The Gulf Oil facilities in Cabinda province, however, remain privately owned and provide 122,000 barrels per day in exports to the U.S. The taxes and revenues from these facilities account for 60-80 percent of the operating revenues of the Angolan government. As of the beginning of 1978, the diamond production of Angola had fallen by 80 percent; the country imported over 50 percent of its food; and the coffee crop, once one of the largest in the world, was down by 50 percent. One reason for the decline in coffee production was that the coffee workers, members of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Bakongo tribe, were active in the support of the FNLA. The civil war and repressive treatment of opponents led to Neto's use of forced labor. The De Beers Diamond Company has been asked by the government to return in order to increase diamond production.

International Posture

Angola is a member of the United Nations and the Organization of African Unity. However, the U.S. vetoed its entrance to the U.N. on June 23, 1976 on the grounds that a large Cuban military presence precluded Angolan membership. On November 19, 1976 the U.S. reversed its veto and Angola was admitted. The OAU admitted Angola to membership on February 11, 1976. Since independence, Angola has aligned itself closely with the Soviet Union and received substantial military and technical aid from the U.S.S.R., East Germany, and Cuba. Other Eastern bloc states that have agreements with Angola include Bulgaria, Hungary, Poland, and Romania. Neto has visited Moscow and Havana several times since taking power, and Soviet and Cuban leaders have visited Luanda. Soon after independence, Senator Dick Clark of the African Affairs Subcommittee of the Senate Foreign Relations Committee stated that, "If the MPLA wins, the Soviets will be lucky if they can hang on a year or two." Since this statement, the U.S.S.R. and its surrogates have become more strongly entrenched in Angola. The Soviets contributed $170 million to Angola to put Neto in power and in July 1976 Angola became the first African state to join the Soviet-controlled Council for Mutual Economic Aid (CEMA). In October 1976, Neto concluded a 20 year Friendship Treaty with the Soviets. In June 1977, Angola signed a fishing agreement with the USSR by which the latter may fish in Angolan waters, and Angola receives 12 percent of the catch. This agreement in 1977 brought 20,000 tons of fish for Angola, though in 1974, under Portuguese rule, Angola's fishing catch was half a million tons. As of April 1978, over 100 Soviets were stationed in Luanda to train secret police, intelligence, and army officers. The Soviets have supplied tanks, MIG-21's, air defense equipment, and naval vessels. However, Neto has not yet allowed the Soviets to establish bases in Angola. Cuba, as of the spring of 1978, had 23-25,000 troops in Angola and these literally placed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Neto in power after the abortive coup of May 1977. Cuban troops (mostly mestizzo) have also been crucial supports of Neto's regime in the continuing war against UNITA. However, the Cubans, Soviets, and East Germans are unpopular with the people of Angola, who regard them as racists. Furthermore, according to Father Gottfried de Kinderen, who recently toured Angola:

> Their (the Cubans') occupation policy is similar to that of the Soviets in East Europe after the "liberation." They are dismantling useable industrial installations and transporting them to Cuba. (*Freedom at Issue*, March/April 1978, p. 15)

In 1977, according to Fr. de Kinderen, Angola had to use its entire coffee and sugar harvest to pay for Cuban and Soviet arms. In 1978, an armed force invaded Zaire's province of Shaba (Katanga) and seized the mining town of Kolwezi. President Carter publicly accused the Cubans in Angola of training and supporting the invasion forces, though considerable controversy developed when the President was unable to offer persuasive evidence of their support. However, *Newsweek's* senior editor, Arnaud de Borchgrave, interviewed prisoners of war in Shaba province who admitted that Cubans and Portuguese communists had trained and supported them. (3) Shaba province produces close to 60 percent of the world's cobalt, a necessary metal for the production of high grade steel, and contains 36 percent of known free world reserves. Prior to the invasion of Shaba province, the Soviet government had been purchasing massive quantities of cobalt at unusually high prices. Cobalt production was temporarily halted during and after the invasion.

In June 1978, Secretary of State Cyrus Vance announced that the U.S. would seek to improve relations with Angola. He omitted references to the President's earlier accusations of Cuban involvement in the Shaba invasion, and Donald F. McHenry of the U.S. delegation to the UN, was dispatched as a special envoy to Angola. The apparent motivations of this new policy were to seek a reduction in Eastern Bloc influence in Angola, to stabilize relations between Angola and its neighbors, and to protect oil production on the Angolan coast. Neto was said to be eager to develop closer ties to the West to avoid dependence on the Soviets. He began exploring new

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

relationships with Portugal, France, and other Western states. The U.S. has significant business ties to Angola through the Gulf Oil Corporation, the Boeing Corporation (which has sold commercial jets and air traffic control systems), Mobil Oil, Texaco, Cities Service, and National Cash Register. Morgan Guaranty Trust has explored the financing of Angolan international economic transactions. The Cabinda facilities of Gulf Oil, threatened by the FLEC insurgency, are guarded by Cuban troops.

Despite its own internal instability, Angola has interfered in the affairs of Zaire (e.g., the Shaba invasion), South Africa (open support for SWAPO in Namibia, though Neto has recently acted as a restraint on SWAPO forces due to his desire to stop South African and Zairean aid to UNITA and FNLA), and Zimbabwe/Rhodesia (the Patriotic Front maintains training camps in Angola, from which its terrorists and guerrillas are moved to Zambia for deployment against the Zimbabwe Rhodesian population). (4)

In July 1978, Angolan Foreign Minister Paulo Jorge was interviewed by a French news service. In response to the question, "So 'majority rule' does not mean much to you?" Jorge responded:

> It is revolutionary movements which we regard as important. We support any movement in any country and consider that its main aim is to seize power. Once we recognized that the Patriotic Front in Zimbabwe, SWAPO in Namibia, and the National Council in South Africa were the true representatives of their respective peoples, the only problem was how these revolutionary organizations could seize power – that is all. This view is held by all the "frontline" states. (FBIS, July 12, 1978, p. 4)

Botswana

Political Background

Botswana, formerly the British Protectorate of Bechuanaland, became independent as a republic in 1966. Unlike the other four frontline states – and almost unlike any other government in Africa – Botswana has been a multi-party democracy since independence. The majority party is the Botswana Democratic Party (BDP), led by Oxford-educated Sir Seretse Khama.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The BDP won 80 percent of the popular vote in the first elections in 1965 and took 28 of 31 seats in the National Assembly. Opposition parties are the Botswana People's Party (BPP) and the Botswana Independence Party (BIP) espousing social democratic platforms, and the Botswana National Front (BNF), a Marxist party that is the major opposition force. Freedom House places Botswana in the second category for political rights and the third category for civil liberties. The media of communications are government owned but there is no publicly established system of censorship.

The political capability of Botswana has been disturbed by the continuing guerrilla war in neighboring Zimbabwe/Rhodesia, by the presence of Cuban troops in other adjacent states, and by the general leftward drift of African politics since the Soviet-Cuban intervention. The Botswana government denies that it provides bases for guerrillas operating in Rhodesia, but guerrilla forces undoubtedly use Botswanan territory as sanctuaries. This has led to occasional Rhodesian raids into Botswana against the guerrillas. Although Botswana has maintained good relations with its small white minority of about 5,000, President Khama in 1975 admitted the rise of anti-white sentiment. In March 1978, Botswanan troops murdered three whites in the northern part of the country. The arrest of one of those implicated in the murder led to student demonstrations and clashes with the police in the capital of Gaborone in September.

The Botswana National Front has sought to develop links with Cuba and other Communist states, and in June the government revoked the passports of 17 BNF members who were planning to attend a youth conference in Cuba. The government charged that they planned to receive military training in Cuba for the subversion of the country. The increase of political tensions in the area has led Botswana to create an army for the first time since independence. It consists of 12-15,000 men and costs the government $20 million, though a U.N. survey has predicted increased costs of $60 million in the near future.

Economy

Although Botswana is the smallest of the five FLS and has the lowest Gross Domestic Product, its per capita income in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1974 was higher than those of Mozambique and Tanzania (that of Mozambique is from pre-independence days and has undoubtedly declined since). Much of Botswana is composed of the Kalahari desert in the west and the Okavango swamps in the north. The per capita arable land is 2.1 acres, though this compares favorably with other FLS and with Rhodesia. The major industry is meat exports, but U.S. and South African development of diamond mines at Arapa and other minerals including copper and manganese have provided $130 million investment. The Botswanan economy has been closely linked to that of South Africa, and labor migration is permitted. The government has not pressed for nationalization.

International Posture

Botswana is land-locked between Zimbabwe/Rhodesia and South Africa, and thus its foreign policy, like its economy, has been to some extent influenced by the attitudes of these two states from which it receives substantial economic benefits. Zimbabwe/Rhodesia accuses Botswana of harboring guerrilla forces, but other African states have accused it of not doing enough to promote the "liberation struggle" in Zimbabwe Rhodesia.

Mozambique

Political Background

Mozambique, like Angola, was settled by Portuguese in the 16th century and became a formal colony in 1884. In 1952 it was incorporated fully into the Portuguese state. In 1967 the Front for the Liberation of Mozambique (FRELIMO) was founded in Dar es Salaam by Eduardo Mondlane. After Mondlane's death in 1969, leadership fell to Samora Machel, who became head of state in 1974. FRELIMO engaged in acts of terrorism and guerrilla warfare prior to establishing an independent state on the voluntary withdrawal of Portugal. Many white Portuguese settlers objected to the decolonization and some resisted in the form of a short-lived effort to establish a separate state. However, Machel's movement soon became dominant. From its early days, FRELIMO was close to the Soviet Union, and Machel has shown himself to be a full-fledged Marxist since taking power. He has denied that his

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Marxism is peculiarly adapted to African conditions – "Afro-communism" – and insists that it is pure "scientific socialism" (i.e., Marxism-Leninism). FRELIMO, he has declared, is a "democratic revolutionary dictatorship" which will be the vanguard of the dictatorship of the proletariat. It should be noted, however, that Machel is a former hospital orderly and far less educated or knowledgeable of Marxism than his Angolan counterpart, Agostinho Neto.

Unlike Angola, Mozambique has not until recently experienced major problems with resistance movements, though some opposition existed from the first. The main reason for the lack of opposition appears to be that Machel has massively suppressed potential opposition. In the first six months of his rule, Machel crushed a revolt of about 400 rebels from FRELIMO, and established a secret police, the People's National Security Service (SNASP). He also created "dynamisation committees" for psychiatric reconditioning of the "colonial mentality." These committees are frequently purged of corrupt elements through the use of government informants who are then promoted to replace those expelled. Machel also sought to end prostitution, but any woman who lived alone was liable to be classed as a prostitute and subjected to "re-education." According to the *New York Times* FRELIMO theorists say, "The first step . . . is to eliminate all other centers of power in Mozambique" (July 2, 1975, p. 4) in order to control the country and transform the society. One U.S. visitor, J. Douglas White, was imprisoned without charge and forbidden to contact U.S. diplomats or friends in Mozambique. He found in prison that most of the prisoners had been arrested and tortured so that the government could seize their property and find out if they had hidden any Portuguese or Asians. Some had been in prison for 21 months (*Washington Post*, August 14, 1977, p. B2).

FRELIMO is thus the only legal party in Mozambique. All candidates must be nominated by FRELIMO, and the 1977 Elections were held under tight FRELIMO control. Broadcasting and the press are also government controlled. Indeed, Machel stated in September 1977 that the press should be "an instrument of the broad masses of the people and as their vanguard, an offensive instrument." It should seek to "liquidate liberalism, individualism" and enforce

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Party supremacy. Independent trade unions are being destroyed by state controlled ones; private lawyers are forbidden; and religions (especially the Jehovah's Witnesses) are persecuted systematically. There is forced re-settlement, and emigration is restricted. About 100,000 persons are estimated to be prisoners in concentration camps. SNASP, directly under Machel's control, has incarcerated more political prisoners than there were under the Portuguese. Freedom House places Mozambique in the "least free" category, seventh in both political and civil liberties for both 1978 and 1979.

In late 1978 a serious armed resistance movement against FRELIMO began. This movement, organized as the National Mozambican Resistance (RNM), is composed of FRELIMO defectors. According to 21 year-old Lacerda Ceatano, a former commanding officer in the FRELIMO army and now a member of the RNM, Mozambique is training black Rhodesians, Malawians, Swazis, Kenyans, and other Africans for guerrilla warfare in their own countries.

> There they receive military training and communist indoctrination and are later sent back to their countries to foment uprisings against their governments . . . . Machel's ambition is to turn the African continent into a continent of communist states against the will of the peoples of those countries. (*To The Point,* January 19, 1979, p. 37)

Economy

Like Angola, Mozambique's economic problems derive from its Marxist ideology and the emigration of 260,000 of the 270,000 whites who had lived there prior to 1975, as well as the bulk of the black elite who also fled the country. Virtually all major industries have been completely nationalized without compensation. According to a UN report of July 1978, Mozambique will need to import at least 192,000 tons of foodstuffs in 1978 and 386,000 tons in 1979. Prior to independence, Mozambique had been an agricultural exporter. It will be virtually impossible for the country to import this amount without major international assistance. In 1978, the government had an estimated accumulated debt of $171.3 million and a balance of payments deficit of $185 million in 1977.

The response of Machel to his country's economic problems

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has been to blame them on floods and Rhodesian incursions. Floods, however, caused little damage under Portuguese rule, and the GNP expanded from an annual 4.2 percent in 1967 to 9.5 percent in 1971. Mozambique lacks the natural resources that enrich some other south African countries, but still has great agricultural potential. The country is reportedly considering joining the World Bank and other Western international financial groups. Despite Mozambique's official policy of opposing apartheid, its foreign exchange has been largely derived from South Africa itself through the wages earned in South Africa by 100,000 Mozambicans. The closure of its borders with Rhodesia in 1976 cost Mozambique about $200 million per year. In 1928, the Portuguese government concluded an agreement with South Africa whereby 60 percent of the wages earned by migrant workers in South Africa would be paid in gold. The Mozambique government then bought the gold from them with its own currency. This arrangement still continues today, though the Mozambican currency received by the workers for their gold is now worhtless (See *To The Point*, October 13, 1978, p. 45). Machel receives $115 million in gold per year through this arrangement.

One example of the disastrous economic policies of Machel's government is the ruin of the Sena Sugar Estates, which was British-owned and provided most of Mozambique's exports of sugar, its third largest currency earning export. After independence, the workers on the estates demanded and received higher wages, and absenteeism became a serious problem. Crime rates in the surrounding areas rose dramatically and forced an exodus of skilled white personnel. According to FRELIMO itself, one plantation recently showed the rate of wilted sugar cane to be 70 percent, and severely depleted soil conditions. In 1974, the last year of Portuguese rule, SSE profits were close to $5 million. At the present time, SSE has a debt of $50 million. The response of the government to SSE's problems has been to accuse the two British managers of SSE with "premeditated economic sabotage," a crime punishable by imprisonment and solitary confinement.

International Posture

FRELIMO was originally sponsored by Communist China, but has abandoned the PRC in favor of the Soviet Union and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

her satellites. At present, there are estimated to be 1,000 Cuban military personnel in Mozambique, up from 500 in June 1978. Machel has concluded several treaties with the states of the Soviet bloc. These treaties include (a) a fishing agreement with the U.S.S.R., by which the Soviets keep 75 percent of the catch and Mozambique keeps only 25 percent; and the U.S.S.R. pays no royalties for its fishing rights, unlike most other nations; (b) agreements with other Eastern Bloc states by which Mozambique receives machinery and vehicles in return for agricultural produce (Much of this machinery is unsuited to the tropical climate of the country and breaks down soon after it is put in use. Much of the military equipment received is obsolete.); (c) a Friendship Treaty with the Soviet Union, signed in March 1977, when President Podgorny of the Soviet Union and other high ranking Soviets toured Africa, which resembles similar treaties between the U.S.S.R. and Vietnam, Ethiopia, Afghanistan, and Angola. It provides for expansion of economic, technological, scientific, and cultural contacts between the U.S.S.R. and Mozambique, for the "development of national cadres" (i.e., ideological training), for the joint adherence of FRELIMO and the CPSU to "proletarian internationalism" (i.e., that aspect of Soviet Marxism-Leninism that asserts that the defense of the U.S.S.R. is to be given priority for other Communist Parties), and to Marxism-Leninism. The treaty also forbids any alliance by either state that is aimed at the other partner, provides for future military cooperation, and for consultations in the event of situations that threaten or break the peace, and for mutual cooperation with other "peaceful states" in the struggle for "freedom, independence, sovereignty and social progress" (i.e., for cooperation in the international direction of the subversion of other states).

Mozambique's relations with the U.S. have been confined largely to economic contacts. Machel met with President Carter in New York in October 1977, and with U.S. businessmen to encourage investments and trade, but this led to little new U.S. economic involvement. The U.S. has given Mozambique about $20 million in foreign assistance since independence; this is largely confined to food assistance, and the International Security Assistance Act of 1977 specifically forbids funds appropriated under the Act being expended for direct assistance to Mozambique or Angola. However, the same Act provides

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

$45 million for refugee assistance in southern Africa. The Carter Administration contends that the language of the Act permits U.S. assistance to Mozambique for refugee assistance.

Mozambique has been one of the principal sponsors of the guerrilla war against Zimbabwe/Rhodesia. It provides sanctuaries and training bases for the Zimbabwe African National Union of Robert Mugabe, a self-proclaimed Marxist, and the more radical section of the Patriotic Front. The Zimbabwe Rhodesian forces have conducted punitive incursions and air attacks against ZANU forces and bases in Mozambique. ZANU receives arms and training from Cuban advisers in Mozambique.

Tanzania

Political Background

Tanzania consists of Tanganyika, Zanzibar, and the island of Pemba. The former was a German colony until World War I and was occupied by the British as a League of Nations mandate thereafter. Zanzibar and Pemba – islands in the Indian Ocean – were placed under British protection by the Sultan of Zanzibar in 1890. Zanzibar became independent in 1963, as did Tanganyika in 1961. In 1964 they combined as the United Republic of Tanzania.

Julius K. Nyerere of the Tanganyika National Union (TANU) became President of Tanganyika in 1962 and remains so today. In Zanzibar, African nationalists overthrew the Arab-dominated sultanate little over a month after independence. The Africans established a People's Republic under the leadership of Abeid A. Karume of the Afro-Shirazi Party (ASP). Nyerere appealed to Zanzibar to unify with Tanganyika and the unification took place in October 1964. A popular election led to an overwhelming victory for Nyerere as President of both countries. Karume was assassinated in 1972, and in 1977, the ASP and TANU merged to form the Revolutionary Party of Tanzania (CCM).

The CCM is the official party in an officially one-party state. Only individuals nominated by the CCM may contest elections, in which it is forbidden to discuss issues in the campaign. The media are owned by the government and strikes are illegal. Forced relocation of the population of the cities has been an important aspect of the government's policy of economic development. According to *Freedom in The World* (5) there were 2-3000 political prisoners in 1977, and "torture and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

killing by the security services appeared to be common, although there has been an attempt to control the excesses of the security forces." In 1977 and 1978 Freedom House placed Tanzania in the sixth category for political rights and civil liberties — the "not free" category — slightly higher than Angola and Mozambique but lower than Botswana and Rhodesia in civil liberties. According to the U.S. State Department, "In contrast to its stance on violations of human rights in other countries, Tanzania tends to ignore, or at best to justify in the interests of state security, most domestic violations of human rights."

Economy

The economic policy of Tanzania has flowed almost entirely from Nyerere's paper, *Ujamaa - The Basis of African Socialism. Ujamaa* is a Swahili word which means roughly "harmony". In Nyerere's thought this state is characteristic of African society and is a non-Marxist version of socialism. Unlike Marxism, it emphasizes consensus and community rather than struggle and class conflict. In accordance with this ideology, Nyerere has departed from most socialist doctrine by trying to develop rural collective settlements rather than urban development. These collectives commonly disregard traditional hardship and tribal ties, and have not been popular. He has been particularly concerned with inequality — between rural and urban, but also between different strata of urban society and between the Third World and the industrialized world. Consequently, he has sought to redistribute wealth and economic rewards within Tanzanian society.

The results of these ideological experiments have been disastrous for the Tanzanian economy, and Nyerere has himself engaged in protracted self-criticism. When Tanzania achieved independence, Nyerere promised that the country would achieve more in the next ten years than in the past 40 years of colonial rule. About 13 million peasants are now said to live in communal villages, though in 1973 the government claimed only 2 million lived in them. The 11 million who have moved were forced to do so, though Nyerere has denied this. Agricultural productivity fell during the transition period while the population increased, and agriculture absorbed more

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

resources than ever before: at £ 30 million in 1976 compared to £ 3.1 million in 1967.

Out of a population of 15 million, only 500,000 persons not on the collective farms are in paid employment. In 1975, Tanzania had an urban unemployment rate of 17 percent. The movement for forced egalitarianism has had the effect of punitive taxation for professionals and the prohibition of civil servants from engaging in any form of business. Nyerere has also engaged in massive nationalization. The government now controls virtually all the major means of production. Tanzania in 1974 (the last year for which figures are available) had the lowest per capita income of all the FLS and Rhodesia, the lowest life expectancy at birth, the second lowest ratio of population over hospital bed and the third lowest literacy rate. Since this ranking predates the civil war in Angola, the disruptive insurgency in Rhodesia, and the Marxist regime in Mozambique, it may no longer be valid. But it should be recalled that Nyerere's regime has not been oppressive or corrupt on the same scale that Angola and Mozambique have been, nor has it had the experience of civil war and insurgency movements as Angola has. The above ranking came after 13 years of independence and is in comparison to the colonial regimes in Angola and Mozambique. In short, Tanzania's economic crises cannot be blamed on tyranny, international discrimination, or the colonial legacy. They are the result only of the ideological persuasions of its leadership.

International Relations

Nyerere has been one of the strongest critics of both the white minority regimes of Rhodesia and South Africa and has maintained an intense local rivalry with his neighbor, Idi Amin in Uganda. Tanzania has also had strained relations with Malawi because of border and territorial disputes. Tanzania is an influential member of the U.N., the OAU, and, until its dissolution in 1977, the East African Community with Kenya and Uganda. In October 1978, war broke out between Tanzania and Uganda when the latter country invaded Tanzania and occupied an area of 700 square miles in the Kagera district in northern Tanzania. Uganda had an army of 20,000 men with 35 Soviet tanks and over 30 Soviet MIGs. Tanzania, having relied on the PRC until recently, had an army of 17,000 with 33 Chinese MIGs,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

also reportedly received in 1978, 24 Soviet MIGs and unknown numbers of SAM missiles. Neither the Soviet Union, which has ties to both countries, nor the OAU, which condemns all border changes in Africa, condemned the Ugandan invasion. The war hurt the Tanzanian economy and reduced its hard currency holdings to $50-60 million. It has severely undermined Tanzania's ability to pay for imports, which was already weak. Nevertheless, the Tanzanian victory has raised Nyerere's international stature considerably, even though Kenya, which supports a private enterprise economy, now looks even more warily at its socialist southern neighbor.

As the first African President to visit President Carter, Nyerere was considered one of the President's strongest supporters in Africa. However, in June 1978, Nyerere denounced Western intervention in Africa and criticized Carter specifically for listening to "hysterical voices" protesting the Cuban presence in Africa. Nyerere also defended the Soviet and Cuban role in Africa. He accused Carter of caring only "about confrontation with the Soviet Union and defense of capitalism in Africa." (*Washington Post*, June 9, 1978, p. 1) In a recent interview in the *Washington Post* (February 25, 1979, p. B2), Nyerere reaffirmed that his support for Soviet and Cuban intervention:

> for those Africans who feel they need to enlarge their areas of freedom, their problem is not the Soviet Union. Their problem is Western Europe.

These remarks show a move away from the U.S. and toward the Soviets and their supporters in southern Africa. Although Communist China has provided considerable aid to Tanzania, including the building of the Tanzam Railway that linked Zambian copper mines to the port of Dar es Salaam 1200 miles away, Nyerere has abandoned China for the Soviet orbit. In 1977 Tanzania had 1,000 Chinese economic technicians and only 365 Cubans and Soviets. However, Nyerere's defense of the Soviet involvement in Africa and his acceptance of arms from the Soviet Union indicates a closer rapprochement with the Soviets at the expense of China, notwithstanding Chinese economic aid.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Zambia

Political Background

Zambia is the former British colony of Northern Rhodesia and became independent in 1964. Kenneth D. Kaunda became President in 1964 as leader of the United National Independence Party (UNIP). Kaunda won elections as President in 1964 and 1968, but in 1972 issued a law declaring Zambia a "one-party participatory democracy" with UNIP as the sole legal party, and confirmed this action with a new constitution later in the same year. In 1973, Kaunda was consequently re-elected for a five-year term although only 39 percent of the eligible electorate voted. The President has an absolute veto over all legislation passed by the National Assembly (all of whose members must be members of UNIP). The President also appoints the Secretary-General of UNIP (the second highest ranking official in the country), the Prime Minister, all Cabinet officials, and all judges.

The official transition to a "one-party" state was precipitated by the rise of political opposition to Kaunda in 1971. In that year a new party, the United Progressive Party, was formed, and a Cabinet minister, Simon Kapwepwe, resigned to lead it. In late 1971 and early 1972, however, Kaunda's secret police arrested over 200 members of the UPP, including Kapwepwe. Amnesty International has reported that these prisoners were subjected to torture in the form of beatings, strippings, and electro-shock, and leaders of the UPP showed signs of having been severely beaten. The torture was reported to have occurred during interrogations on the membership and nature of the UPP. While these prisoners were interned, Kaunda proceeded to the suppression of opposition and the creation of the one-party state. In 1978, Kaunda was again re-elected for a five year term, again as the only candidate. Certain changes were introduced in the legal requirements for candidacy that identified the Presidency more closely with the UNIP. The reason for these reforms was to preclude any possible challenge to Kaunda from Kapwepwe.

All private newspapers in Zambia were placed under government control in 1975, and the government also controls the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

radio and TV networks. Since 1964, a state of emergency has been in effect in Zambia, and it is estimated some 200 political prisoners are currently incarcerated. Under the state of emergency the President may order the detention of individuals, and *habeas corpus* does not apply to presidential detainees. According to the State Department's *Report on Human Rights Practices in Countries Receiving U.S. Aid* (1979)

> The President's detention powers have been used in recent years against political opponents, Rhodesian nationalists and dissident Namibians, common criminals, striking university students and professors, and violators of currency control regulations. (p. 201)

Freedom House in 1979 ranked Zambia in the "partly free" category with a rating of five in both political rights and civil liberties.

Economy

In 1973 Zambia produced the following percentages of free world minerals: Zinc, 1 percent; Lead, 1 percent; Cobalt, 9 percent; Beryllium, 8.5 percent; and Copper, 12 percent. It contained 18 percent of the free world reserves of cobalt and 8 percent of free world reserves of copper and selenium. From 1965 to 1969, the Zambian economy advanced with an estimated annual growth rate in gross domestic product of 13 percent largely based on the value of minerals exported. The fall in world copper prices in 1975 hurt the Zambian economy and forced adoption of an austerity program, and in 1978, copper production declined to its lowest point in ten years. Although Zambia has one of the richest arable land surfaces in southern Africa (40 percent), only about 5 percent of its land is agriculturally developed. Most of its agricultural produce is the work of the approximately 300 white farmers who are former colonists. They produce 60 percent of the cattle, 90 percent of the pigs, 65 percent of the fruits and vegetables, and 99 percent of the wheat. The white population of Zambia has fallen from 75,000 in 1964 to 44,000 in 1979.

Zambia has engaged in massive nationalization. Fifty-one percent of copper production in the Anglo-American Corporation and Roan Selection Trust Corporation, all privately owned land, all private newspapers, all banks and insurance

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

companies, transportation, power, and communications industries have been taken over by the government since Zambia's economic difficulties had been aggravated by closure of its borders with Rhodesia in 1973, Kaunda reopened the Rhodesian-Zambian railway link in October 1978, since this railway carries 50 percent of Zambia's copper exports and 66 percent of its imports.

International Posture

Like Mozambique, Zambia provides assistance and sanctuaries for the guerrillas of the Patriotic Front, specifically for the forces of the Zimbabwe African People's Union (ZAPU) of Joshua Nkomo. Nkomo maintains a guerrilla army of 6-8,000 men with 12 training camps, mainly in Angola, but with forward bases in Zambia with about 75 Cuban advisers. Kaunda may well be fearful of the political power of other guerrillas based within Zambia.

Kaunda wishes to preserve his independence of the Soviet Union and its allies and for that reason wishes to avoid confrontation with Zimbabwe/Rhodesia to an extent that would strengthen ZAPU's forces in Zambia and require him to increase his reliance on the Soviets. The Soviet ambassador in Lusaka, V. Solodovnikov, is considered an important strategist who helped plan both Cuban intervention in the Horn of Africa and Cuban intervention in Angola. In October 1978, other African states criticized Kaunda for re-opening the railroad through Rhodesia to South Africa and Indian Ocean ports, a decision made all the more urgent by the pressing needs of Zambian agriculture for fertilizer. The decision indicated a new division among the FLS in their policy toward Rhodesia. On October 29, a meeting of the other leaders of the FLS was held in Dar es Salaam at the request of Nyerere to discuss a common policy toward the war in Rhodesia. However, the meeting ended in failure as only the most moderate of the leaders, President Khama, bothered to stay overnight. Neto and Kaunda left the same day and Machel did not come at all. The disputes among these leaders centered on Nkomo's recent talks with Ian Smith, on a response to Rhodesian raids against the states hosting the guerrilla forces, and on Kaunda's re-opening of the railway. The failure of the FLS to achieve agreements on a common policy indicated the fact that their internal weakness prevents

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

them from pursuing their common ideological goal on Rhodesian affairs.

The economic distress of Zambia, and Kaunda's comparatively restraining role on the Soviet influence and terrorist action in Rhodesia led Western leaders in the summer to extend massive economic aid to Zambia. Earlier in the year the International Monetary Fund committed $390 million to Zambia for a three year period and the Carter Administration promised $100 million more. West Germany offered $100 million and Great Britain offered $27 million and large amounts of military equipment for defensive purposes (on condition that they would not be given to anti-Rhodesian forces). In June the World Bank promised $1 billion to Zambia over the next three years. The IMF loans were made on condition that the Zambian economy be placed under its surveillance for that time period.

Conclusion

The politico-economic pattern that predominates in the Frontline States is that governments, often with little popular support, win power through force or because they represent the only organized political movement in the area. With preconceived ideological opinions and inadequate training, these governments have embarked on social and economic experiments with grandiose objectives for the transformation of their societies. The experiments inevitably fail to work and discontent develops. This discontent takes the form of political opposition or even armed resistance, usually based on tribal and religious identity. The government then relies increasingly on force and outside military aid, curtailing civil liberties to stay in power. It adopts a foreign policy nominally based on appeals to "African unity" (anti-apartheid, and pan-African racial appeals) to disguise its own particularist base of support. While the government may seek Cuban and Soviet military aid, its economic needs can be met only by increased aid from the West, since the Communist economic relationship with these states has been largely exploitative. Despite Western reluctance to give economic aid to states which show no viable capacity for efficient and honest management, the natural resources and strategic significance of these states overules such scruples, and they continue to receive Western aid notwithstanding their somber records.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It has been argued that increased economic assistance to the FLS would improve U.S. relations with these countries and decrease their dependence on the Soviets. The FLS have turned to the Soviets only because the U.S., persisting in its "cold war" mentality and fear of Communism, has " refused to support anti-colonial movements."

However, one of the most striking features of recent political developments in Africa has been the relative exclusion of the Peoples' Republic of China from African affairs and the increased role of the Soviet bloc nations. This turnabout occurred despite the fact that the PRC had long been the most generous supporter of African independence movements and had given substantial aid to those states already independent. The following table shows Communist economic credits and grants to the FLS from 1954 to 1977.

	USSR	EAST EUROPE	PRC
Angola	$11 million	$12 million	-----
Botswana	----	----	$3 million
Mozambique	$3 million	$15 million	$59 million
Tanzania	$40 million	$13 million	$362 million
Zambia	$6 million	$50 million	$307 million
TOTAL	$60 million	$90 million	$371 million

Only in Angola did the Soviet bloc contribute more aid than the PRC, but the latter's massive economic aid to the Frontline countries generally has not resulted in any economic or political benefits for the PRC. In Mozambique, for example, the PRC gave over three times the economic aid contributed by the Soviet bloc, but Mozambique is now closer to the U.S.S.R. than any other African state, except perhaps Ethiopia. In fact, economic aid has little to do with political alignment. The FLS depend on the Soviets and Cubans because they provide the military support that maintains these regimes in power. Famine, illiteracy, and disease among their own people appear to be less of a concern to the leaders of the FLS than their ability to suppress any hint of opposition to their power.

In view of these realities, it can be suggested that further Western aid to the Front line states might wisely be limited

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the following conditions:
1) An indication that the recipient states will undertake policies that would result in economic development rather than ideological experiments.
2) A commitment that the economic assistance will not be used for terrorist operations against other countries, such as Zimbabwe/Rhodesia and Namibia, for further destabilization of southern Africa.
3) A serious undertaking by the recipients that they seek to improve their own records on human rights observances, and to control corruption in their governments.
4) A decrease in their cooperation with Communist states.
5) An agreement to permit Western or international supervision of at least those sectors of the economy in which Western investments or loans are involved and a commitment to the security of these investments from nationalization or harmful regulation.

While it is to be expected that such conditions would be initially resisted by the Frontline States as an alleged extension of Western "imperialism," the FLS leaders must be made aware that their countries have serious economic and political crises, and that a continuation of their present policies will only worsen their internal problems, drive their Western friends out of Africa, and lead to further reliance on external Communist powers which seek ultimately to control them. The Frontline States need Western assistance more than the West needs them, regardless of their importance, and the Western states must have some assurance of change before they renew their economic and political commitments to them.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNION-MANAGEMENT "CODETERMINATION" IN SWEDEN

By Alfred L. Thimm

In his epochal *Capitalism, Socialism and Democracy*, (1) author Joseph Schumpeter argued that the very success of capitalism in raising the level of living will weaken the institutions necessary for its survival, and that ultimately capitalism will be replaced by a highly bureaucratic, centralized form of "socialism" which will exploit the productive capacity created by corporate enterprise. Sweden seems to offer an excellent example of the Schumpeterian thesis, which has not been significantly impaired by the election of a "bourgeoise" government in 1976. The decline of capitalist institutions appears, at the present time, to be irreversible in Sweden, and although we await events in Britain under its conservative government, no European government has to date shown itself capable of substantially redirecting existing social and labor legislation.

The Historical Background

Until the 1970s, legislation had played a much smaller role in shaping labor relations in Scandinavia than in Germany or the United States. Once collective bargaining had become well established in the early 1930s, both unions and employers made every effort to keep the government from restricting their freedom to negotiate. Only in the 1970s, and especially during the last years of the Palme administration (1973-76), have union and employer federations failed to agree on a series of new union demands; government legislation, discussed below, has given the trade union leadership what they could not obtain at the bargaining table. (See Table 1.)

In the early 1920s, the Scandinavian labor movements showed some interest in establishing works-councils, and especially the Norwegian and Danish unions proposed legislation to extend "industrial democracy" along the lines laid down in the Weimar constitution. (2) During the early 1930s Social Democratic parties came to power in Norway, Sweden, and Denmark, and have dominated Scandinavian politics ever since, or at least until 1976. (3)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Under the "benevolent neutrality" of the Social Democratic government, the Swedish trade union's policy of relying on industry-wide collective bargaining had become the most effective device to advance the interests of Scandinavian workers. Consequently the pragmatic Swedish trade union became the most influential force in molding Scandinavian labor strategy, at least until the early 1970s.

For the previous forty years, Swedish labor relations and wage negotiations had been dominated by an alliance of big business and big labor, which had been institutionalized in the macro-collective bargaining between the Swedish Employers Association (SAF) and the Confederation of Trade Unions (LO). Until 1975 the Swedish federation of white collar unions (Central Organization of Salaried Employers or TCO) has generally followed the labor market policy advocated by the LO, while the Confederation of Professional Associations (SACO), the only federation not closely tied to the Social Democratic party, had been politically too weak to affect the long run egalitarian trend of Swedish wage negotiations. (4) Although the "counterrevolution" actually began with a strike of SACO unions against the government in 1971, (5) and again in 1975.

The local trade unions and employer associations, organized along parallel industrial lines, are under the complete control of the national organizations, which in turn have ceded much of their authority to quasi-corporate bodies, the SAF and the LO, called "roof organizations" by the Swedes. Since 1956 the employers' association (SAF) and the trade-union federation (LO) have concluded nation-wide agreements that promoted uniform wage development and served as a framework for subsequent industry-wide bargaining. (6) If the various national unions and employer associations have comparatively little say, the individual employee or employer has none. Swedish social institutions in general prefer to deal with the group and its leadership rather than the individual, and the labor legislation of the 1970s very explicitly favored the organization rather than the individual. (7)

The Swedish trade-union federation — or rather the tightly knit centralized bureaucracy that speaks in the name of the LO — had used the centralized negotiations as *the* major tool to implement its social and wage policies. Known as the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 1

IMPORTANT EVENTS IN SWEDISH LABOR RELATIONS HISTORY

1889	Swedish Labor Federation (Landsorganisationen i Sverige, LO) founded; originally consisting of crafts unions, LO adopted "industrial" organization in 1912.
1902	Swedish Employers' Confederation (Svenska arbetsfivareföreningen) founded. Mostly relatively small businesses; comparatively little political influence; government "hands-off" policy established early.
*1906	LO and SAF agree on "management prerogatives" and on worker's right to organize. Henceforth every collective bargaining agreement contains a clause reemphasizing employers' right to hire, fire and allocate work, establishes non-union shop; this clause, now called "article 32," was included as article 23 in the SAF statutes in 1905. In return for LO's acceptance of "article 23" the SAF recognized the workers' right to organize and bargain collectively. The 1906 agreement has *determined* Swedish labor legislation *until the 1970s*. Most significant event!
1909	General strike called by LO, and lost.
1920	Mediation Act. Established government mediation service, available on demand.
*1928	Collective Agreements Act and Labor Court Act are passed over strong union opposition. Resembling the Taft-Hartley Act, the Collective Agreements Act required the union to live up to the agreements made, and in turn, forced employers to abide also by collective bargaining contracts. Disputes over interpretation were adjudicated before Labor Court. Under the "peace obligation" of this act, no strike or lock-out could be called during the existence of agreement. The labor court, similar to the German model, was comprised of two labor and two employer members and three "labor judged"; actually little used.
1936	Act on the Right of Association and Collective Bargaining. A Wagner Act type of legislation, it was enacted by the Social Democratic government primarily to help the white-collar workers to organize.
*1938	"Basic Agreement" between LO and SAF (also called Stalts-jöbaden agreement after resort where this document was

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

negotiated) to pledge themselves to strive for peaceful co-operation. Forestalled government action to regulate labor relations and prohibit strikes that threaten national interest. Expressed forcefully the LO-SAF view that "the State cannot be justified . . . in forcing upon Swedish employers and workers a regulation of working conditions." In return, both parties pledged themselves to "be responsible" and consider national interest. The "Basic Agreement" epitomized Swedish labor-management relations until 1976.

1943 Confederation of Swedish Professional Associations (i.e., unions) founded (Sveriges akademikers centralorganisation, SACO). Politically neutral.

1944 Confederation of "white collar" unions (Tjänstemannens centralorganisation, TCO). Social democratic federation of white collar unions; jurisdiction *today* overlaps both LO and SACO. Organized with sections dealing with government (TCO-S), municipal (TCO-K) and private employers (PTK). PTK, federation of salaried employees, represents today also some SACO unions in industry-wide negotiations.

1946 Works Council legislation. Enabled unions, *if* they so desired, to negotiate the establishment of advisory works councils. Little interest in works councils among union leadership.

1956 "Solidarity Wages Policy" adopted explicity in LO-SAF national wage agreement; remains as guideline for centralized LO-SAF wage negotiations during the next twenty years.

1966 Civil servants obtain right to strike; applies to municipal and national government.

1969-70 Wave of wildcate strikes against union-employer wage policy; often by skilled workers, professionals, to protest narrowed wage differentials.

1970 Beginning of fundamental shift in LO policy and consequent abandonment of "Basic Agreement." LO obtains through government legislation rights previously reserved to management.

1971 Strike by SACO-SR (SACO federated union of high government and military employees) broken by government legislation, ordering employees back to work.

1972 "Experimental" law providing for union representation on board of directors. Amended 1973; two representatives chosen by unions on all boards of firms having more than 100 employees.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1974	Act on Security of Employment; sharply restricts employer's "right to fire" set forth in "Basic Agreement." Also applies to municipalities and government.
*1976	Right of Employees to Collective Agreements on Participation in Decision-Making. Nullifies article 32 of SAF statutes, adopted as basic agreement by LO-SAF in 1906 and 1938, and also replaces the fundamental labor laws of 1928 (Collective Contracts Act) and 1936 (Act on the Right of Association and Collective Bargaining). Makes henceforth *all* aspects of management decision-making negotiable. Sets "minimum limits" of union codecision-making rights in absence of collective agreement. Greatly increased union power in plant and office. Became effective January 1, 1977.

*Especially significant pieces of legislation.

"solidarity wages policy" the LO has successfully narrowed pay differentials among industries and within firms since 1951. (8) The long run goal of the LO leadership, however, has not only been the equalization of incomes, but also the elimination of smaller firms that could not carry the wage costs of the national wage agreements. (9)

Though the LO wage policy has remained constant for over 25 years, at different times different economic and political models provided different arguments in its support. From the days of the first Social Democratic prime minister, Hjalmar Branting, to the last, Olof Palme, however, the theory of "functional socialism" has provided both the long run ideological goals *and* the justification for short run "class cooperation"; (10) this peculiar Swedish mixture of ideology and pragmatism has kept both Marxist intellectuals and practical labor leaders in one party.

The "functional socialism" doctrine grew out of the investigations of a committee, appointed by Branting in 1933, to consider "socializing" the means of production. The committee took a sophisticated "institutional" view of property relations and found that "ownership" *per se* was not important, since it

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was not necessarily related to control. (11) Through legislation, fiscal and monetary policy the (Social Democratic) government could acquire the "functions" which had been traditionally reserved to the owners of capital. The term "socialism" was broadly redefined as a "political-economic policy carried out in the interest of the masses."

The Move Towards "Functional Socialism"

Though the Scandinavian Social Democratic parties have accepted the doctrines of "functional socialism" since the 1930s, their actual quasi-Keynesian policies had been quite indistinguishable from those of the American Democrats. (12) Until the 1970s, "functional socialism" differed little, if at all, from the liberal, reformistic policies followed by most governments in North America, Australia, and Central Europe. During the late 1960s and early 1970s, "functional socialism" did provide, however, the platform to express the increasing radical and egalitarian sentiments of the LO and party leadership.(13)

In the 1950s the LO's solidarity wage policy was to accomplish two pragmatic goals: end the government's "income policy," together with the remnants of the direct wage and price controls of the 1940s, and keep Sweden's economy internationally competitive by preventing excessive internal wage increases as a consequence of the world economy's Korean-War inflation. The employers endorsed the LO's goal enthusiastically, and by 1954 the Swedish parliament and Swedish society had accepted the idea that "the government should not intervene in wage formation." (14)

In return for the SAF's support of the LO's solidarity wage policy, the union leadership reaffirmed once more its acceptance of article 32 of the Swedish Employer's Federation which defined the "nonnegotiable" management prerogatives. The LO's willingness to exclude from collective bargaining all topics pertaining to management's right to hire, fire, direct and allocate work was the price it had to pay for gaining managements's recognition in the "Basic Agreement" of 1938, and again in 1954 to obtain the SAF's help in ending the government's income policy.

During the sixties the LO's solidarity wages policy had the primary goal of prompting structural changes in the Swedish

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economy by eliminating small, internationally noncompetitive firms and encouraging the migration of labor into the export-producing sector of the economy. Again the SAF employers association, in which the large, internationationally known firms dominated, could readily support this aim, especially since a byproduct of this policy was to be a further centralization of wage negotations and, consequently, an stronger position of the LO and SAF headquarter's bureaucracy vis-à-vis its membership. (15) Only during the 1970s did the solidarity wages policy seem to serve primarily ideological purposes by attempting to reduce once more the already narrow differentials among professional, skilled, and unskilled labor. Belatedly, the SAF began to object to the further extension of the LO wages policy and, in addition, resisted numerous new LO demands which would have severely weakened management prerogatives. At this point a virtual revolution occurred in Swedish labor-management relations. The LO abandoned its acceptance of article 32 as the basis of union-management relations, discontinued its decades-old working arrangement with the SAF, and gained the help of the government in obtaining its demands through a series of unprecedented labor laws, which are enumerated below.

RECENT SWEDISH LABOR LAWS

1972 Act concerning employee (union) representation on board of directors: entitles union to choose two representatives for board of directors.

1974 Security of Employment Act: increases difficulty of firing or laying off employees.

1974 The Promotion of Employment Act: supplements the "Security Act"; provides for consultation with municipal and regional authorities in case of large-scale "layoffs."

1974 Act concerning status of shop steward: legalizes existing LO-SAF agreements, but makes the position of shop steward more secure than that of the owner's son 100 years ago.

1976 Amendment to Worker's Protection Act of 1949. Strengthens the influence exerted by employees on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the design of the work place. Gives employees "priority of interpretation," i.e., in case of controversy employees' views prevail until courts of arbitrators decide case.

1976 Act on Employee Participation in Decision Making. For further discussion, see below.

Swedish employers, the spokesmen of the so-called bourgeois parties, (16) and foreign observers have held the radicalization of Swedish labor and SDP party leaders responsible for this "sudden" change in LO policy. It is difficult to accept this viewpoint, however, since the LO adopted in 1951 the "solidarity wages policy" merely as a component of a carefully laid-out program that was to lead to an egalitarian, socialist society; a socialist society, however, that was to be dominated by the labor union and its leadership rather than by a Social Democratic government and politicians. Although the LO functionaries who negotiated wage settlements in line with the pragmatic, short run goals advanced through the fifties and sixties hardly cared that their policies were merely an aspect of "functional socialism," the intelligentsia in the LO and SDP has recognized that "the total result of all these changes at the micro level would be a drastic transformation in the economic life of the country." (17)

This drastic transformation in the economic life of the country was the goal of the economic policy adopted by the LO in 1951 in its Trade Union and Full Employment (TUFE) statement. (18) This statement in turn was based upon an economic growth model developed by the LO economist Gösta Rehn over several years during the 1950s. (19) The Swedish economy, Rehn postulated, consisted of two different sectors: manufacturing export industries, subject to international competition and hence comprising large-scale, efficient, profitable, capital-intensive enterprises, and domestic service industries (including agriculture) which were generally labor-intensive, protected from foreign competition, and hence less efficient, and also less profitable. In order to maintain full employment at the weakest segments of the Swedish economy, orthodox Keynesian (Wicksellian) policy would require an inflationary level of effective aggregate demand, with very high wages and profits in the export sector, and, Rehn feared, hence ultimately

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a revival of an income policy which would eventually lead to the euthanasia of the labor movement.

In order to maintain full employment, price stability, and "free" collective bargaining, the solidarity wages policy proposed to reduce the wage differences among and within industry, but set the level sufficiently high to eliminate the smaller firms in the domestic sector which could not carry the costs of the national agreements. As already mentioned, the SAF, dominated by "big business," became a willing partner in the implementation of the LO wages policy; consequently, industries in which small firms dominated, such as textiles, clothing, or footwear, were especially hard hit by this structural policy, which did encourage a shift in the labor force and in capital investment toward large-scale, capital-intensive, bureaucratic enterprises.(20) The solidarity wages policy and the restructuring of the economy were, however, only two components of both the Rehn model and the TUFE program. A sharp increase in indirect taxation was also advocated – and implemented by SDP governments – in order to reduce the extra purchasing power gained by the high wage policy; moreover, Rehn postulated, a high level of indirect taxation would prevent industry from escaping increased wage costs through price increases. In the short run, increased unit costs would – and did – prompt Swedish industry to increase its efficiency ("rationalize" as Swedes and Germans call this process), but in the long run it would make it more and more difficult for Swedish industry to generate future investment funds out of retained earnings. A fourth component of the Rehn model was, therefore, the development of a public sector investment fund as the primary source of the capital needs of Swedish industry; moreover, the "collective" public sector savings were to reduce an unequal income distribution, and increase the government's control over the economy.(21) As a matter of fact, the government controlled national pension schemes, introduced by the SDP governments in 1958 and 1964, have become the major source of public sector investment capital.(22) By 1970 the National Pension Fund supplied about 40% of available investment credit.(23)

The profit squeeze on Swedish industry became noticable in the 1960s, but its consequence was, in the short run at least, masked by the ready availability of public sector invest-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment funds during a global period of economic growth. In the author's opinion, the separation of investment decision from actual enterprise profitability and future profit expectation has been responsible for the enormous overcapacity of Swedish industry in the mid-seventies, and the painful shrinking process (disinvestment) the current non-Socialist government has been forced to undertake.(24)

Swedish industry's very inability to self-generate investment capital is being used as an argument by Socialist theoreticians to hasten the euthanasia of Swedish (Scandinavian) capitalism. Socialist theoreticians such as Messrs. Lykketoft and Sodersten reason that the major historical purpose of capitalism has been its capability to generate capital. If Scandinavian capitalists can no longer perform this task, they might as well be replaced by their employees in the management of the enterprise!(25) Well, actually not really by their employees, but by the union functionaries who represent labor. Though Scandinavian, and especially Swedish, labor unions had long opposed labor "codetermination" and "profit-sharing," the growing interest in the German experience among Europe's intellectuals prompted a second look.(26)

"Worker Participation" in Management

The leftward lurch in the Swedish Social Democratic party under Olof Palme has encouraged the rise of pseudo-Marxian rhetoric and the demand for broad popular participation in social decision making in Swedish society. The popularity of the former German chancellor Brandt among Swedish intellectuals had led to a timely reevaluation of the German co-determination experience. The change in Swedish (and Scandinavian) perception of the German experience prompted the trade union leadership to abandon their previously held opposition to employee codetermination and to adopt the New Left rhetoric by extolling worker participation in economic decision making (27); in the hands of the *LO* bureaucracy, however, "worker participation" became the domination of corporate decision making by national union functionaries.

The LO leadership's rather sudden interest in "employee participation" was, however, not prompted alone by the trendy popularity of "participatory democracy"; in the very best Swedish tradition, under the veneer of lofty, ideological

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

goals, there were valid pragmatic reasons why the LO had to embark on a new strategy if it was to survive. In the 1950s the LO leadership had realized that "functional socialism" could develop in Sweden under Social Democratic rule if Keynesian full-employment policies were accompanied by a tough income policy which would include price, wage, and profit control, and thus deprive the trade unions of any reason for their existence, as the Eastern European experience demonstrated. The LO's answer had been the "Rehn model" which made the unions rather than the government the vehicle for social change. By the 1970s "high wages, excellent social benefits and high taxes . . . reduced dramatically the marginal utility of wage increase."(28) If demands for further improvements in wages, benefits, and working conditions had lost their appeal, the LO was once more threatened with sharing the fate of the established Lutheran Church, a venerable but powerless Swedish institution.

Prompted by both "new left" rhetoric and fears for its survival, the LO leadership quite suddenly adopted the cause of "industrial democracy," repudiated its decades-old acceptance of SAF "article 32," and demanded a larger voice in enterprise decision-making for its members. Though the LO's press releases on codetermination emphasize the right of the "employee" or "Labor" to share equally with the owners or "Capital" in the management of the enterprise, any discussion of the implementation of the LO's version of "codetermination" showed clearly that the union functionaries and *only* the union functionaries would "participate" in the decision process. It is very important to keep this issue in mind, since the rhetoric of the socialist LO theoreticians purposely attempts to mislead the reader.(29) This is especially the case in articles appearing in English.

The TCO Congresses of 1970 and 1973 and the LO Congress of 1971 provided the forum for launching the "industrial democracy" issue. The LO adopted a working paper "Democracy in Companies" which emphasized that "industrial democracy must be regarded as one part of the democratization of society as a whole."(30) Democracy was defined as the complete equality between labor and management "in all types of questions that employees are interested in."(31) Very much like the German union, the LO and TCO leadership considered,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of course, the union as the appropriate representative of "Labor," and the professional LO and TCO functionaries as the voice of the unions.

Unlike the Germans, however, the LO hardly ever discussed the actual implementation of employee participation; not in the proposals submitted to parliament and certainly not in the journal articles cited, in which the concept, but never the process, of employee participation is discussed. This cavalier treatment of the implementation of "industrial democracy" is especially significant if we compare it with German codetermination legislation. Not only the election mechanism which chooses employee representatives is described in great detail, but also the actual "participatory" structure. Even the German union federation (DGB) leadership, which has demanded an increasing role in the "codetermination" process, has always included in its proposals a detailed presentation of the selection system which affords the employees, at least theoretically, an opportunity to reject unpopular union candidates.

"Worker Participation" becomes Union Participation

From the very beginning, the Swedish unions intentionally attempted to disguise their interpretation of "industrial democracy"! Whenever the concept of "industrial democracy" was discussed, the official statements refer to "employees" or "Labor." When the actual implementations are considered, we find invariably local or national union officials as the hierarchically appointed instruments of the participatory workplace democracy. We shall see later on that this Orwellian "truth-speak" applies both to the discussion of employee codetermination and profit-sharing.

Since the union leadership recognized that the SAF would not agree to bargain collectively over work place issues, nor accept the local union official as the personification of "industrial democracy," LO and TCO abandoned their fifty-year-old strategy of relying on collective bargaining, and called on the government to give them through legislation what they could not hope to obtain at the bargaining table! The 1971 LO report specifically called for legislation to abolish legal and institutional practices which had been created by Labor's past acceptance of article 32 of the SAF constitution.

To complete this revolution, the 1971 LO Congress affirmed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that, *in principle*, legislation is preferable to collective bargaining if it leads to faster results. Since "Labor" through its unions would henceforth participate in managerial decision making, the "employees" had to obtain "first hand knowledge" of economic issues and top-management decision making. The LO and TCO therefore revised their previous opposition to "collaboration with management" and demanded union representation on the boards of directors. The LO Congresses even adopted the rhetoric of the German union leadership by referring to Labor's "right" to share with "Capital" in enterprise management.(32) (Note that German unions used this phrase to demand "equal" board representation, i.e., 50% of the seats; the LO Congress did not specify the exact share, but implicitly, demanded only minority representation.) Several left-wing (pro-Communist) labor leaders still maintained the traditional Swedish trade-union view which feared that the loyalty of the individual member would be lost if the union attempted to maintain simultaneously its "adversary position" vis-a-vis management and participate in managerial decision making. The LO and TCO Congresses rejected these views, however, decisively. Since the minority view at these two congresses reflected not only the previous attitude of the Scandinavian labor-liberal-SDP establishment, but also the views of most Western European and British trade unions, the decision of the Swedish LO and TCO leadership to demand a participatory role in decision making is striking, and indicated the beginning of significant changes in European labor-management relations. Today (1978), with the exception of Great Britain, only Communist unions and labor leaders still refuse to strive for "codetermination." It must not be believed, however, that the Scandinavian, Benelux and French unions have become more "collaborationist"; far from it! We merely experience the "innovative" ability of anticapitalistic, though democratic, unions to strive for a drastic change in the existing industrial system, while the Communist unions, typically, cling to the orthodox 60-year-old Leninist view of the "revolutionary role" of radical trade union leaders.

Labor's (LO, TCO) new demand for "industrial democracy" was transmitted to the Swedish parliament by the LO president, Arne Geijer, who was also a leading SDP member of parliament; as a consequence, by December 1971, the SDP government

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

appointed a "Special Commission on Labor Law" to study the democratization of the "work place" and suggest new legislation which "should be based on the premise that questions connected with the right to direct work should be regulated in collective bargaining agreements."(33) The Labor Law Commission consisted of representatives of the governing Social Democrats, the three opposition parties (Liberals, Center, Conservatives) and representatives of the LO and the TCO. The minutes of the Labor Law Commission make fascinating reading. Here we find the "bourgeois" party leaders more worried about offending the "Zeitgeist" than in representing the interests of its electorate (the Conservatives shortly changed their name to "Moderates" – you simply can't be "with it" in Sweden and call yourself "Conservative"); then there is the SDP leadership which is much less enthusiastic in the support of the LO-TCO position than would have been expected, and lastly the LO-TCO delegation with well defined maximum and "nonnegotiable" minimum demands, which does not hesitate to ally itself with the opposition party on specific issues if its interests warrant it.

Generally, the government representatives supported the LO-TCO demand that labor union officials are the appropriate instruments of "employee participation" while the "bourgeois" members of the commission attempted to reserve for the individual employee some codetermination prerogatives along the lines of the German works council legislation. On the other hand, the LO-TCO members gained – surprisingly – the support of the opposition members in their attempts to havecompletely equal treatment of public and private sector employees; it was not quite clear from the minutes whether this position was merely taken to annoy the government or whether the bourgeois parties really believed employee "codetermination" in the public sector might have a decentralizing effect on the Swedish bureaucracy. The possibility that union participation in decision making of public agencies might encroach on the democratic process or the domain of elected officials seemed to worry the SDP more than the opposition members. On other questions, the government was cast as the defender of management prerogatives! For instance, the trade union representatives wanted to give the local trade union the "main priority of interpretation" (i.e., in case of controversy, the union prevails

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

until a decision is made by arbitrator or labor court). The unions were supported on this issue by the "bourgeois" parties but opposed by the SPD representatives.

Low Intellectual level of Public Debate

In general, the entire debate on "worker participation" both in public and in the Labor Law Commission was diffuse and of low intellectual quality. Though the LO and TCO members of the Labor Law Commission thought it necessary to file a 30-point minority report – for reasons which were not apparent to the author – when the committee presented its finding to the parliament, both majority and minority were primarily concerned with eliminating legal and institutional obstacles to "employee" or, actually, union participation in managerial decisions affecting the work place and job security.

The most significant barrier to "employee participation" had been the previously mentioned article 32 of the SAF constitution which emphatically stated that allocation of work, hiring, promoting and firing, supervision, work environment, etc., were management prerogatives, and must not be subject to collective bargaining. As a consequence, the Swedish employee had considerably less control over his working conditions than the American or German worker, and the Swedish shop steward, even after the 1974 legislations, plays a much less significant role than his American counterpart. As a consequence, the government bill on "Employee Participation in Decision Making" submitted to parliament primarily provided a legal structure which nullified the SAF's article 32. In line with both minority and majority recommendations, the government bill had a clause which created the foundation for the right of employees to participate in decisions concerning the work place. With an irony rare among Swedes, this particular clause turned out to be article 32 of the "law on participation in decision making on the labor market" which stated:

> "The contracting parties to collective agreements on wages and general conditions of employment should, *if the employee side so requests*, also sign collective agreements on the right of employees to participate in decision-making

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> on matters concerning the direction and allotment of work, the inception and termination of employment agreements or other management matters."

It is important for the understanding of the Swedish "co-determination" legislation to compare article 32 of the government bill with the original "Right of Negotiation" clause in the report of the Labor Legislation committee.

> "It is the duty of the employer to negotiate with his counterpart at the local level on all matters concerning the relationship between the employer and an employee who belongs to the trade union concerned. *This duty applies as soon as the trade union has requested negotiations* . . . . This proposed new right of negotiations applies to all matters which today are unilaterally determined by the employer. It is applicable both to individual cases and to matters of a more general nature, e.g., matters concerning production, business and management. The right of negotiations applies to matters at all levels in business enterprise and the public service.(34)

Note that the Committee report specifically mentions the trade unions as the initiator and medium of employee participation while the government bill refers to the "employee side." The difference is merely rhetorical, however. Whenever the term "employees" is used, we ought to replace it by "union" or "union leadership" to provide the appropriate meaning.

During much of 1976, a growing disillusionment with the SDP government had made itself felt among the Swedish middle class; an ever-increasing tax burden, a high-handed, insolent bureaucracy which considered an attempt at tax avoidance a much more serious crime than mugging or robbery (35), and a growing absentee rate among employees created a climate in which the radical rhetoric of the Palme government generated a strong opposition to any attempt to weaken further the last remaining bastions of private enterprise.(36) The proposed Act of Employee Participation became, therefore, more controversial outside parliament than inside the lack of any particular grass-roots movement in favor of codetermination, and the widespread structure, did prompt the opposition parties finally to examine more closely the justifi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cations for an Employee Participation Act. Still, Prime Minister Palme had little difficulty in having an only superficially amended law passed by a parliament in which the SDP and the Communists together held exactly 50% of the seats.

Palme's 1976 Enactment of "Employee" Participation

The 1976 Act of Employee Participation in Decision Making – Palme's last enactment before losing the election – differs from the German model by vesting all participation rights in the trade unions; a more appropriate name for this law would have been the "Act of *Union* Participation in Decision Making." The most important aspect of this law, as a matter of fact, is not its prescriptive provisions, but rather the declaration that *all* managerial decisions were henceforth subject to collective bargaining; rather than giving employers mandatory directions to obtain employee approval in specific areas, the Swedish legislation makes it possible for the trade unions to obtain codecision rights in the collective bargaining agreement. By rooting "codetermination" in the collective agreement, employee participation is delegated to the union leadership, even if "employees" are mentioned in a particular clause.(37)

Should employers and unions fail to agree on "codetermination" issues in the collective agreements, the law provides a minimum level for participation. In fact, it forces the employer to consult with the union leadership on topics previously excluded from collective bargaining regardless of the provisions of the existing agreement. The most important points of the Participation law are as follows:

1) The local unions are given a primary right to negotiate on all important *business* matters. The employer must consult the "employee side" (i.e., union leadership) before making any significant managerial decision, nor may he implement a decision before the negotiations are concluded. This means, of course, that management can no longer make serious marketing or investment decisions without union approval.

2) The employer must inform the employee about all important matters pertaining to the business and must also *assist* the union to carry out investigations of the firm in order to gather pertinent information if the trade union deems it necessary.

3) The employees (i.e., union) are given a *preference* in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interpreting collective bargaining agreements. If a disagreement arises between union and management, the union view *prevails* until the dispute is tried and adjudicated by the Labor Court. In subcontracting relationships the trade unions are entitled to prohibit the employer from farming out work if the union perceives that subcontracting will undermine the (participation) law or the collective agreement.

4) Most importantly, perhaps, the Employee Participation Act only establishes the minimum level of union participation. The Swedes consider contractual agreements more desirable than legislation. The new legislation encourages collective agreement on employee (union) participation that should go beyond the "minimum standards" provided in the law, which become effective *only* if union and management cannot agree. Unions will have the right to strike in pursuit of their participation aim even if existing agreements disallow strikes over wages.

The law on "Employee Participation in Decision Making" became effective January 1, 1977. There is little evidence that the actual changes in the work-place or in union-management relations have been noticeable so far (January 1, 1978).

In the spring of 1977, Bö Södersten wrote:

> "The total result of all these changes at the micro-level will be a drastic transformation in the economic life of the country. These events (the participation law) mark the labor unions' new readiness to assert themselves. They point toward a much more direct employee influence over and responsibility for the operations and progress of the individual firm in the future.(38)

Like most observers, Sodersten underestimated the decades-old institutional working arrangements which had been developing between pragmatic local union leaders and local management. If we can judge by the German experience, employees and local union officials are not terribly interested in top management decisions which do *not* affect job security.(39) On the work place level mutually acceptable procedures had been developing over decades, which *so far* seem not to have been changed significantly. There is also little evidence so far that the union representation on the board of directors (1972 law) has had an impact on the firm's decision process.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Meidner Plan for Union Ownership

The union leadership's lack of interest in exploiting or expanding its foothold on the board of directors is fully explained by its ambitious plan to gain control of the Swedish industry through an "employee" profit participation scheme. In the autumn of 1975 the LO economist, Rudolf Meidner, advanced a proposal (subsequently called the "Meidner Plan") to channel company profits into a trade union administered "wage earners investment fund" which would have made the LO-TCO bureaucracy the majority stockholder of all incorporated Swedish firms within 25 to 35 years.(40) The "Meidner Plan" appeared initially as a technical report on "employee influence on capital formation" and did not gain the attention it deserved. In 1976, in the midst of the election campaign, the LO Congress adopted a slightly revised "Meidner Plan" as its major political objective; almost immediately the Palme government appointed a commission to prepare the necessary legislation, thereby badly misjudging the mood of the country. The prospect of an economy dominated by the centralized LO leadership outraged even many supporters of the government — an opinion poll showed three out of four union members opposing the Meidner plan (41) — and undoubtedly contributed to the defeat of the government.

The popular repudiation has not deterred the LO leadership, however; for ideological and pragmatic reasons the LO is seeking a wider role in society. In 1976, Gunnar Nilsson, LO president, exclaimed

> "With or without Employee Investment Funds an inexorable change is taking place in the part to be played by the trade unions."(42)

The 1977 LO Congress rejected the contention that the Meidner plan had contributed to the SPD defeat, and once more emphasized that employee participation in "the profit they create" was going to be the major LO goal. Since what the LO wants, the LO normally gets, a brief glance at the Meidner plan is warranted. Moreover, the LO's demand has gained the attention of other Western European unions, hence profit participation may become the labor relations issue of the 1980s.

The most important features of the revised Meidner plan, as adopted by the 1976 LO, are as follows:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1) Incorporated enterprises with more than 50 employees shall annually issue special stock certificates equal to 20% of pre-tax profit; these certificates would be deposited into a "collective employee fund" as "employee shares."

2) The "employee shares" would *not* be distributed to the firm's employees (as proposed by the Danish LO) but would be held collectively by an industry-wide Wage Earner Fund.

3) The dividends paid on the "employee shares" will flow into a Central Clearing Fund to be *collectively owned* and managed by the *trade unions*.

4) The administration of the industry wage earner funds would be carried out by the individual (national) trade unions in collaboration with the Federation of Trade Unions (LO).

Depending on the profitability of the Swedish economy, the LO would become the majority stockholder of 3/4 of the Swedish private economy within 25-35 years. The more profitable an industry, the quicker the LO would become its owner, a rather "dialectical" feature of this legislation. The major purpose of this revolutionary proposal is its objective "of achieving employee power over industry and society." (43) The most striking feature of the Meidner plan, however, is the complete neglect of the individual employee. The LO bureaucracy, not the individual worker, and not even the local union will become the owner of Swedish industry!!

If the Meidner plan were ultimately legislated, I have no doubt that the next SDP government would pass such a legislation whithin one year of attaining power – Sweden would be converted into a highly centralized corporate state, governed by and for the trade union functionaries.

In the meantime, the SAF has advanced a counterproposal to pay 1% of the annual wage bill into decentralized regional funds, along the lines of the Danish LO proposal. These funds would invest in the shares of the entire Swedish industry, very much like American mutual funds. After five years, each employee, if he so desired, could cash in his shares and either spend the money or invest it in regular Swedish stock certificates. If the SAF were able to implement its proposal, it might become a major obstacle to the "Meidner plan." Since such a far-reaching measure could not be carried out without the approval of the LO – a most unlikely event – the SAF profit-sharing proposal will remain an academic proposition. Other

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

European (and American) employers, however, who still have some freedom of action left, might well consider that an employee profit-sharing plan may be the best defense against union-sponsored profit-sharing plans.

In a discussion of "industrial democracy" in Great Britain, *The Economist* quoted an unidentified British TUC (Trade Union Congress) official: "Participation is about power: Industrial Democracy will lead to a socialist society."(44) In Sweden "participation" had taken the form of increasing the power of the union leadership on the macro-level; much of the transformation to a "quasi-socialist" (actually corporate) society has taken place with the active cooperation of big business. The recent realization by the SAF that they have actively abetted in the euthanasia of the private enterprise system may have come too late.

(1) J. Schumpeter, *Capitalism, Socialism and Democracy*, New York, Harper & Row, 1941.

(2) An experimental works-council law was passed in Norway in 1922; the increasing radicalization of segments of the Norwegian labor movement – a large splinter group even joined subsequently the Third (Trotzkyite) International – created a political climate in which as works-council designed to overcome class conflict could not function.

(3) Actually, the Social Democratic parties governed more often than not with "coalition partners." In Sweden only from 1940-44 and from 1968-76 did the Social Democratic party govern by itself, though during 1968-76, as in the 1940s and '50s, it required the cooperation of the small Communist party to stay in power and pass legislation. In 1976 a non-Socialist (nobody could call it anti-Socialist) coalition came to power in Sweden, while Social Democratic parties have come and gone in Denmark during the last three years. As a matter of fact, the Danish Social Democrats have never had a majority in the country or in the Parliament, but have managed to hold office in 23 years out of the past 30; Mr. Ander Joergensen, the current Social Democratic prime minister, won 37% of the vote in what by Danish standards was a landslide victory in 1975, giving him 65 out of the 179 Folketing seats, which are divided among 11 different parties. Since the Liberal Paul Hartling managed to run the country during 1974 with only 22 seats at his disposal, Joergensen is in a rather strong position. In Norway, the 1977 election showed that the country was again equally divided between Socialists and non-Socialists. Intellectually, however, the Socialists are now on the defensive throughout Scandinavia, especially since the enormous tax burden and ever-increasing bureaucracy have begun to alienate liberal middle classes which generally

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

had supported the SDP in the past. Finland is a rather special case — a euphenism for Soviet dominance, but then euphemisms for ideologically unpleasant facts have become a characteristic of Scandinavian society.

(4) Neither the SACO nor the TCO has been as centralized as the LO. SACO is truly a federation of professional (university graduates) associations, which continue to speak for their members. TCO is split, for negotiating purposes, into three "agencies" that represent state, municipal, and private slaried employees. TCO represents the interests of its members vis-a-vis other pressure groups, while each "agency" bargains for its members.

(5) The 1971 strike was by Swedish standards ruthlessly suppressed by the Social Democratic government, which rammed through legislation ordering the strikers back to work; no private employer in Sweden could afford today to accept as uncompromising a posture as the Swedish government did. It should be mentioned that TCO members, and the Swedish middle class generally, sympathized with SACO's strikes against Sweden's egalitarian wage policy, and several TCO (PTK) unions joined briefly the SACO walkout. The fact that the TCO managed, however, to keep its membership in line demonstrates the docility — if they were Germans, it would be called "obedience" — of the individual union member, and the local union leaders.

(6) See A.L. Thimm, *Recent Trends, op. cit.*, Union College AES Monograph.

(7) Cf. the Industrial Litigation Act (1974), for instance; the law assumes that an employee's case will "usually be pleaded on his behalf by the union to which he belongs. *An employee may only plead his own case* if his union-organization *does not* wish to do so" (*New Labour Laws*, Swedish Ministry of Labour, n.d., p. 28, my italics). There is no provision in the Industrial Litigation Act for an employee to sue his union for unfair practices. In 1972 an "experimental" law reserved two board of directors' seats for union functionaries, *if* the union decided to take advantage of this legislation. Note: the local union, *not* the employees decided; the union leadership, *not* the employees, chose the representatives.

(8) At the 1951 LO Congress, the leadership submitted a report, "The Trade Union Movement and Full Employment," which contained the outline of the "solidary (or solidarity) wage policy." This report will be discussed below.

(9) Consequences are further discussed below.

(10) Actually, the first Swedish Social Democratic government was formed in 1921, but lasted only a short time, and had little impact on society.

(11) Roughly at the same time, Thurman Arnold as well as Berle and Means expressed strikingly similar views in the United States.

(12) In Sweden, the "Swedish (later Stockholm) School" (Knut Wicksell, David Davidson, Bertil Ohlin, Erik Lindahl) provided the intellectual foundation for precisely the same policies "Keynesians" advocated in the Anglo-American countries. K. Wicksell (1851-1926), an anti-Marxian middle-class radical, knew Hjalmar Branting well and in spite of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

several disagreements with the Social Democratic leadership, probably had a more lasting influence on the pre-World War II Swedish labor leaders than Marx. Certainly the lasting concern of Scandinavian Socialists with population control and egalitarian income policy is due to Wicksell, who considered himself a "Malthusian." Wicksell's marginal productivity theory imputed appropriate "functional shares" to the factor of production which would be "optimal only if the income distribution were reasonably equal." Bertil Ohlin, who became the leader of the Liberal party, opposed the Social Democrats in the '50s, when they added high indirect taxes to their Keynesian-type fiscal policy in order to weaken the allocative tasks of the labor market.

(13) The relation between the union and the Social Democratic party leadership has always been close, but may have become even closer during the last five years. For example, the LO chairman, Mr. Gunnar Nilsson, has been an MP and a leading Social Democratic politician for years. In May 1977, Gunnar Nilsson brought the country to the brink of a general strike over some technical labor relations issues, and in support of, by LO standards, excessive wage demands by the PTK, very much against the wishes of the LO membership. The major explanation of Mr. Nilsson's behavior was the belief that a general strike would help return the Social Democrats to power in 1979 (cf. *The Economist*, "Brinkmanship," May 28, 1977); once it became clear that Nilsson's use of trade union power to achieve political ends antagonized broad segments of the elctorate, the strike issues were quickly settled.

(14) Assar Lindbeck, "Theories and Problems in Swedish Economic Policy in the Post-War Period," *American Economic Review*, June 1968, p. 70.

(15) Cf. Gosta Edgren, Karl-Olof Faxen and Clas-Erik Odhner, *Wage Formation and the Economy*, George Allen & Unwin, Ltd. London, 1973. English translation of an excellent 1972 study of the short-run economic impact of the solidarity wage policy and macroeconomic bargaining in the late '60s, by the economists of, respectively, the SAF, the LO and the TCO. Significantly different in tone from *Wage Policy, A Report to the 1971 Congress of the Swedish LO Confederation* LO, Stockholm, 1972. *Wage Policy*'s radical rhetoric conveys the LO leadership's trendy ideology.

(16) In the Scandinavian and German-speaking countries, all non-Socialist parties have commonly been referred to as "bourgeoisie" (Bürgerlich). This form of reference has disappeared in Germany since the 1970s, but is still in use in Austria, Switzerland and, of course, Scandinavia.

(17) Bö Södersten, "Industrial Democracy Present and Future," *Scandinavian Review*, No. 2, 1977, p. 73. Prof. Sodersten (University of Gothenburg) attempts to show that the SDP and LO have been following a careful long-run strategy of "overcoming capitalism" with almost Leninist perseverance. This, of course, is nonsense, but the SDP's Socialist theoreticians have been able to make use of each gain to prepare for the next demand which would further weaken capitalism. Since a weakened capitalism could no longer produce the necessary profit to provide investment capital (cf. Mogens Lykketoft, "Toward Economic Democracy: Wage

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Earners' Funds," in *Scandinavian Review*, No. 2, 1977, p. 40ff.), a union-administered "wage earners" fund will ultimately replace the function of the capitalist. Södersten is almost touching in his naivete as he describes how "employee participation will increase the efficiency of the firm (as workers obtain managerial control). Under a capitalist system of profit maximization social controls are absent — if a worker shirks he will 'steal' only from the capitalist, by lowering their profits." This was written in 1977, as absenteeism has become a major problem in the nationalized and private sector alike, when the nationalized Swedish iron-mining firm LKAB lost $115 million in 1977 and when the nationalized Swedish shipyards are rapidly reaching British dimensions in their inability to compete (cf. *The Economist*, Dec. 31, 1977, p. 84).

(18) Swedish Conference of Trade Unions, *Trade Unions and Full Employment*, Stockholm, 1951; English ed., 1953. Generally referred to as the TUFE report.

(19) The so-called "Rehn model" actually consists of a series of papers and memoranda produced by Rehn, and his colleague Rudolf Meidner; the latter attained international prominence by advocating a profit-sharing plan in 1976 which would have made the LO the owner of most major Swedish firms within 20-30 years. The significant point is that the Meidner "profit-sharing" plan of 1976 is a logical consequence of the "Rehn model" of the '50s and the TUFE program of 1951. Two English language articles by Gösta Rehn are "The Problem of Stability: An Analysis and Some Policy Proposals" in *Wages Policy under Full Employment*, R. Turvey, editor, William Hodge & Co., London, 1952, and "Swedish Wages and Wage Policy," *The Annals of the American Academy of Political and Social Sciences*, March, 1957. Neither article gives the full ideological flavor of the Rehn model, which is more apparent in the TUFE report of 1951. It is worth noting that Rehn's model is quite compatible with Marx's "two sector" model, and would promote through union-wage policies the transformation of prices into values as well as the equalization of profits Marx postulated. (cf. Finkelstein and Thimm, *op. cit.*, p. 137ff.)

(20) Sweden's functional socialism had disdained nationalizations as unnecessary; during the 1970s, however, both Socialist and non-Socialist governments have been forced to take over — fully or partially — large firms in the ship-building, mining, and steel industries to avoid bankruptcy of the overexpanded firms. The state-owned NJA steel works have been absorbing formerly privately owned firms, while the non-Socialist government has recently (November, 1977) become the 50% owner of a new steel conglomerate, Svenski Stal AB. Swedish low unemployment figures mask a sizable underemployment: "Around 70,000 Swedes are registered as unemployed, 170,000 are employed in retraining, public relief work, etc. . . . In addition 50-60,000 people threatened with lay-offs are kept on . . . subsidized by the government." ("Sweden: The Model Loses Her Glamour," *The Economist*, Aug. 27, 1977, p. 66.) By February, 1978, unemployment increased by another 40,000. Swedish unemployment is still a low 1.8% (equal to about 2.4% under American definition) but hidden unemployment was about 4% by early 1978, accompanied by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

an inflation rate of over 14% (*ibid.*). Thus Swedish nationalization is a consequence, not of ideology, but of living beyond its means during the first half of the 1970s, when consumption grew at an average 2.4% while the gross domestic product grew at less than 1.5% (Cf. *The Economist*, January, 1978, p. 76.)

(21) Rehn, "The Problem of Stability," *op. cit.*, pp. 46-54.

(22) Typical for Swedish politics, the highly controversial national pension plan of 1958 was passed by a one-vote margin. In a special election, called by the SDP on the pension issue, the SDP and the Communists obtained 50% of the parliamentary seats, the three non-Socialist parties the other 50%. The SDP needed the continued support of the Communist party, and, on some occasions, of several Liberal MPs until 1968, and again from 1973 to 1976.

(23) The growth and consequences of the politics of pension schemes were analyzed by Björn Molin, *Tjänstepensionsfragan: En Studie i Svensk Partipolitik* (Goteborg: Akademie For Laget-Gumperts, 1967).

(24) In 1976, the last year of the Palme government, only 30% of Swedish industry operated near capacity. (*The Economist*, August 27, 1977, p. 67.) In spite of the past "rationalization" efforts, the Svenski Stal has almost 25% more employees than needed, and an abysmal productivity of 160-180 tons per man year, compared to 400-450 tons in the Japanese industry.

(25) Cf. Mogens Lykketoft, "Towards Economic Democracy," *op. cit.*, and Bö Södersten, "Industrial Democracy," *op. cit.* Lykketoft is a Danish economist who considers that all Scandinavian countries are in the process of "overcoming capitalism," though perhaps at different rates. Both Lykketoft and Södersten are leading Socialist theoreticians within their respective parties.

(26) Typical of the disdainful, patronizing manner in which the Scandinavian Socialist establishment has viewed the German codetermination model is the article "Industrial Democracy, Yesterday and Today," by I. Logue, M. Peterson and B. Schiller (*Scandinavian Review, op. cit.*, pp. 4 ff.) According to Messrs. Logue, Peterson and Schiller, it was the American influence which "strengthened" German capitalists and hence enabled the Adenauer government to "impose" codetermination in the coal and steel industries; the "limitations" of the German "codetermination" were exposed — 18 years later!! — by the 1969 wave of wildcat strikes in the steel industry against the codetermination boards!

Actually the German wildcat strikes in 1969 were not directed against the boards, but rather against the industry-wide wage agreement. During 1969-70, however, Sweden experienced a much more significant series of wildcat strikes which were directed at the egalitarian union-SPD wage policies, "demonstrating that the authority and legitimacy of the unions . . had been eroded" (Andrew Martin, "Worker's Participation," *Scandinavian Review, op. cit.*, p. 17). As far as the frequency of strikes was concerned, Germany's and Sweden's have been equally low:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Frequency of Strikes, 1964-73
(Days lost annually because of strikes per 1000 employees)

Italy	1594
U.S.	1247
Finland	772
Great Britain	633
Denmark	484
France	277
(West Germany)	43
Sweden	43
Norway	11

Source: LO (Sweden) Fackforenings R-orelsen, no. 3, 1975

(27) As mentioned above, as of 1972 unions have been able to place two labor directors on the boards of companies with more than 100 employees; however, up to 1976, local and even regional union leaders had viewed board level "participation" with little enthusiasm and only bothered in 60% of all possible cases to nominate "employee directors."

(28) I. Logue, M. Peterson, B. Schiller, "Industrial Democracy," *op. cit.*, p. 11.

(29) Cf. Mogens Lykketoft, *op. cit.*, passim

(29) Cf. Mogens Lykketoft, *op. cit.*, *passim*; Bö Södersten, *op. cit.*, passim

(29) Cf. Mogens Lykketoft, *op. cit.*, *passim*; Bö Södersten, *op. cit.*, *passim*, Rudolf Meidner, *Coordination and Solidarity*, LO, Stockholm, 1974, *passim*, Chapter I. An especially good example is Bernt Schiller's "Industrial Democracy in Scandinavia," *The Annals*, May 1977, pp. 63ff. Not once does Schiller show that employee participation in both decision making and profit distribution would be administered through national and local union officials. Schiller, however, does permit the reader a glimpse at the implementation of worker democracy à la LO in his "LO, paragraf 32 och företagsdemokratin," *Trisma*, Stockholm, 1974, pp. 84-105.

(30) *Industrial Democracy Programme Adopted by the 1971 Congress*, LO, Stockholm, 1972.

(31) Official "terms of reference" for the Commission, quoted in Lennart Forsebäck, *op. cit.*, p. 54.

(32) The terms "labor" or "worker" had disappeared from Swedish vocabulary and have been replaced by employee. The sudden reappearance of "Labor" in the LO proclamations of the '70s is an indication of its ideological shift.

(33) *Proposals for an Industrial Democracy Act*: a Summary of the Proposals of the Labour Legislation Committee, Ministry of Labour, 1974, p. 7.

(34) *Ibid.*, p. 4 (italics added).

(35) The growing Swedish crime rate has become a serious problem; though the number of actual incidents is still way below American levels, the sharply accelerating increase in robbery, theft, etc., has been a disturbing experience for Swedish society. Similarly the ease with which narcotics use has spread among university students has been unsettling.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(36) The deteriorating morale of the Swedish employee has caused special alarm. "As affluence becomes pervasive the willingness to work and especially to cooperate closely is fading out . . . . With the able-bodied eligible for social benefits unprecedented for mankind, and the difference between working and not working in Sweden amounting to a mere $2.50 daily, there is very little incentive left." Curt Nicolen, chairman of the SAF, at the European Management Forum; quoted by the *Wall Street Journal* in the "Manager's Journal," Feb. 6, 1978, p. 10. Volvo, for example, had a 25% absenteeism rate, forcing management to hire five workers for every four needed.

(37) Currently, there exists no foreign language translation of the Act on Employee Participation in Decision-Making; even copies in Swedish have been difficult to obtain. The author has benefited also from a condensed German translation which had been prepared for the Austrian government by an anonymous member of the Austrian legation in Stockholm. Official English, French and German translations are scheduled to appear by mid-summer, 1978.

(38) Bö Södersten, *op. cit.*, p. 74.

(39) Aside from the major empirical study of German codetermination carried on currently by Prof. E. Witte (University of Munich), the only other piece of empirical research known to me has been B. Wilpert's "Research on Industrial Democracy: The German Case," *Industrial Relations Journal*, Vol. VI, No. 1, Spring 1975, pp. 53-64.

(40) The 1971 LO Congress authorized a study on the impact of the solidarity wage policy on profits, income distribution and capital formation. This task was assigned to LO economist, Dr. Meidner, who previously had been a major contributor to the "Rehn" model. The Meidner plan differs substantially from a profit-sharing plan advanced by the Danish LO in 1973.

(41) Cf. Heikki Konkola, "Can Employers Live With Industrial Democracy," *Scandinavian Review*, Summer, 1977, p. 49.

(42) Gunnar Nilsson, *News from the 1976 LO Congress*, mimeographed English translation, LO, Stockholm, 1976, P. 16.

(43) Bernt Schiller, "Industrial Democracy in Scandinavia," *op. cit.*, p. 71.

(44) "The Workers at the Boardroom Door," *The Economist*, Sept. 4, 1976, p. 78.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BUREAUCRAT

The Bureaucrat provides a medium through which those subjects of specific professional interest to and value for practicing members of the federal bureaucracy may be addressed, discussed, and illuminated. The journal offers concise, clearly-written articles of widespread and current concern to public administrators and those people concerned with the art and science of public management, particularly in the federal government.

The Bureaucrat is the largest public administration publication in Washington, D.C. It is the first journal to use the word "bureaucrat" in advancing public administration rather than employing the word as a scapegoat of society's problems.

Features:

Forum
The Uncivil Servant
Professional Development
The Book Shelf
Buck Slip
Notebook
Interviews

Subscription Rates:

Individuals: $13.50/year

Institutions: $22.50/year

Published quarterly.

Mail prepaid orders to:

The Bureaucrat
Transaction Periodicals Consortium
Rutgers University
New Brunswick, N.J. 08903

Special Rates for Classroom Use and Bulk Sales

Write for information.

The Bureaucrat is a publication of the National Area Chapter of the American Society for Public Administration and the Federal Executive Institute Alumni Association.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNIONS, EMPLOYMENT AND PUBLIC ORDER IN THE UNITED STATES

By John A. Davenport

In the closing hours of the 95th Congress, the Carter Administration managed to push through a version of the much debated Humphrey-Hawkins bill which among other things commits the government to trying to reduce unemployment, now running at about 6% of the labor force, to a level of 4% by the year 1982. Much might be said against the government of a free society taking on any commitment as regards maintaining employment at a specific level, especially given the inadequacy of official statistics. Still more might be said against the general philosophy of Humphrey-Hawkins, which as originally drawn contemplated a large measure of statist planning.

My purpose here is to begin with a different issue and paradox. It is conceded that Humphrey-Hawkins could never have been passed without the constant lobbying of the A.F. of L.-C.I.O. in particular and/or organized labor in general. Yet examination will show that organized labor itself is a potent cause of, though not the sole cause of, persistent unemployment which it then asks the government to cure through increased spending, easy credit, and other measures which are supposed to create jobs in the economy but which all too often, as at present, lead on to perpetual inflation.

This statement will no doubt offend champions of what is sometimes called the Labor movement and even may surprise many who tend to be critical of unions. In the view of many laymen, not to mention businessmen, labor unions are dangerous because in raising costs they inevitably lead on to rising prices. In fact, a rise in labor costs cannot by itself produce a rise in the general price level. Inflation is uniquely due to the issue of too much money chasing too few goods, and labor unions do not and cannot issue money. What they may do, through strike action and through excessive wage and benefit demands, is to cut down on employment opportunities in the economy, leading to a situation where the government feels called upon to set the printing press rolling.

Until recently it was generally held that such government action could countervail the adverse effects on employment

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which unions generate, and that increased government spending to this end and to further all kinds of social programs, which union leaders generally favor, would have no untoward consequences. We are now learning to our cost that this is not the case. Far from there being a trade off between inflation and unemployment, the one contributes to the other, yielding a kind of Stagflation where rising prices and unemployment go hand in hand – the worst of all possible worlds.

The Premise of Unionism

In this situation it behooves us to take a hard look at unionism in its present form, to canvass means of reforming it, and to examine the central ideas that lie behind it, for as the late Richard Weaver was wont to say: "Ideas have consequences." The central idea behind modern union organization is that men need some kind of collective organization to protect their rights and further their interests; and this need became increasingly manifest with the development of the modern factory system bringing large numbers of workers together in the pay of enlarging business enterprises. In this context the union is an organic growth from capitalism itself; and were unions purely *voluntary* association, like a club or like a business corporation, they would pose no challenge to the market economy and the free society. On the contrary they would be welcome as an instrument for mediating between the complementary interests of workers and management, of working out differences sure to arise on the factory floor, and of giving workers a sense of "belonging" to our modern and often depersonalized industrial system, and lending needed ballast to the Ship of State.

But if such voluntary conditions ever existed in the distant past when unions, building on the old guild system, set out to better the lot of industrial workers, they have long since vanished as the result of legislation which gives unions unique power and privileges. Under present national law employers are *forced* to bargain with unions whether or not they believe this is to the interest of themselves or their workers. In addition a union gains exclusive bargaining rights in a plant or bargaining unit if it commands a bare majority of those voting and present, forcing the perhaps 49% minority to accept its services in wage and other negotiations whether they desire

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such services or not. Finally, unless prevented by state Right to Work legislation, unions can and do draw contracts with employers which make union membership or at least payment of union dues the price of keeping a job, and such dues more often than not are then used for political purposes.

Still more decisively the modern union uses methods and tactics for enforcing its demands which differ *toto caelo* from those used by any other form of business or business agency. Its chosen instrument is the strike, reinforced by the picket line (both, incidentally, military terms) which represent far more than a collective withdrawal of services or mass resignation. The objective of the strike is to close down the employer's facilities until he accepts union terms, at which point most strikers expect and do get their jobs back. The objective of the modern picket line is not just to advertise a strike (in which case a single picket line carrying a placard would be sufficient). *It is to prevent other workers, who may desire to accept the employer's terms, from working.* The result is that so-called collective bargaining becomes a form of collective clobbering, driving a deep wedge between the mutual and complementary interests of labor and capital, and in so far as it is accompanied by violence and threats of violence, undermining the sovereign power of government to maintain order.

The Strike Threat System

It is sometimes argued that these untoward effects of industrial warfare cannot be too great because unions today command a bare 25% of the U.S. working force, and a declining share at that, and because in a better than $2 trillion economy the unemployment effect of strike action is bound to be minimal in terms of man-days of work lost vs. total man-days worked. It would be foolhardy to take too much comfort from such statistics. The prolonged coal strike the winter of 1977-78 idled not only thousands of miners but had a ripple effect through all coal-dependent industries. In years past strike action has closed down our steel and automobile plants for months at a time. It was the perception of the late Robert Kennedy that the Teamsters, whose contract comes up for negotiation next year, have the power to tie up the country's transportation facilities overnight. A multitude of craft unions — carpenters, plumbers, steam fitters, etc., can and do

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

harass the construction industry and the recent New York newspaper strike idled some 10,000 employees. Finally, unionism has made its most spectacular gains of recent years among government workers and civil servants, with the result that teachers periodically close down our public schools, and that firemen and even policemen can leave whole cities unprotected.

Moreover, strike action is only the tip of the iceberg in evaluating the adverse effects of union tactics. Of far greater importance is the *threat* of such action in the collective bargaining process. Such threat gives unions enormous power over the economy, and this power may be the greatest where labor relations appear on the surface to be most peaceful. In effect the strike threat puts productive investment at risk, and retards and distorts capital formation which is essential for economic growth and the key factor in raising *real* wages and living standards for all. The true interests of labor and capital, far from being opposed, are in fact complementary and neither can get along without the other. Indeed economic progress depends precisely on the development of better tools and machines which increase worker productivity and hence real output. Creative investment by entrepreneurs is the heart and sinew of this process.

The strike threat is an open challenge to such investment. It is most serious in industries such as steel or railroads which involve huge "sunk costs" in the form of plant and equipment which in one way or another must be paid for over long periods of time, and which involve overhead charges that continue whether the plant is operating or not. Faced with potential strike action the owners and managers of such facilities are apt to settle for union demands, bearing little relation to productivity, rather than risk a shutdown. Meanwhile new investment will avoid such industries like the plague and will flow towards less tightly organized enterprises where risks are lower. The country may need, and in fact today does need, the renovation of its steel mills. It may get instead a plethora of gambling casinos which, however hazardous, involve relatively low sunk costs and, unlike a steel mill, may be conveniently moved from place to place as labor exigencies require.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Higher Wages & Fewer Jobs

This inhibiting and distorting effect on private investment may well be the most serious threat which unions pose to the goal of maintaining high employment levels. It is, of course, not the only threat. For one must furthermore take into account what happens when unions win their outside demands, and here a whole mythology must be challenged. It is the claim of many union leaders that their organizing efforts have benefited not just union members but the entire working class. This claim may be rejected out of hand. Real wages (wages discounted for inflation) began to rise in this country as well as others long before unions became powerful and did so precisely as the result of capital accumulation and the progress of invention. Moreover the level of real wages and incomes in different countries bears no relation whatever to the degree they have been unionized. England, for instance, trails far behind the United States though it is the home of the modern union movement. Finally, and disturbingly for union claims, the *share* of national income going to wages and salaries, and the share going to other forms of income such as interest, profits, and rents, has remained remarkably constant over long periods of time. The idea that unions can benefit *all* workers by wrestling rewards from greedy capitalists is without foundation. Indeed, Nobel Prize winner, F. A. Hayek has argued that the rise of powerful unions has probably adversely affected real wages for the working class taken as a whole.

What unions are able to do is, through use of the strike and the strike threat, to raise *money* wages, and sometimes real wages for *particular groups* higher than they otherwise might have been. By how much unions can do this is subject to considerable economic dispute, since it is always difficult to prove through statistics the difference between what actually occurs and what might have been the case in other circumstances. Working with studies by Gregg Lewis and Charles Riess, as well as his own calculations, Milton Friedman has hazarded the guess that unions over time have raised wages for part of the working force by some 15%. This seems an extraordinarily conservative estimate, and the effect of unionization in trucking and in the building trades, to mention but two industries, is undoubtedly much higher.

What is not open to question is that any benefits which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

unions achieve for their members are taken out of the hides of *other* workers, since as noted the share of national income going to wages and salaries for all workers has tended to remain more or less constant. And what is furthermore not open to question is that in so far as unions have achieved higher rewards for their members they have had a dis-employment effect in the industries in question. The dramatic rise in wages in soft coal mining after World War II, and the accompanying drop in employment is a case in point. The late John L. Lewis is reputed to have said that his objective was to make "every miner a king" but he neglected to say *how many* miners were to achieve this kingly status. The evidence indicates that as wages in any trade are pushed up beyond where the free market would put them there will be decreasing employment opportunities as employers hasten to mechanize their operations or as capital shifts away from the industries in question. This, after all, conforms to common sense observation. We all know that in the matter of remuneration we are foolish if we do not ask for as much as the market will bear. But we also know that if by chance we demand, say, a doubling in wage or in salary and win it, the comfortable occupation we are in may disappear entirely. In short, unions can and do price workers out of jobs.

Were the labor market for the economy as a whole perfectly flexible and fluid the action of unions might not have a permanent effect on employment taken as a whole. But the market, of course, is not perfectly fluid. Displaced workers cannot easily pack up their belongings and move into other industries. Hence pockets of unemployment are created when wages are pressed too high: witness conditions in New England as textiles moved South, and in Johnstown, Pa., when Bethlehem Steel decided to close down its facilities there entirely. More broadly, the effect of unionization is to restrict job opportunities, in the higher paying trades, forcing men down the ladder into less remunerative occupations. This crowding down effect means that more men and women must seek employment towards the bottom of our society. But as this bottom is reached there is an ultimate road-block to any employment at all. It takes the form of minimum wage laws which unions have always strongly favored not because they directly benefit their own members but because they prevent the undermining

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the wage structure by non-unionized workers.

The evidence is now overwhelming that when minimum wage floors are raised unemployment tends to increase for the less fortunate members of our society; and the effect of minimum wages perfectly illustrates the fact that wages are a form of price, and that when this price is tampered with the result will be a decrease of demand. The process, be it noted, is especially unfair to the poorest members of the community who are denied the dignity of work and are driven onto the welfare rolls and supported out of the taxpayer's pocketbook. Far from remedying poverty union pressures for high wages in the tightly organized industries, combined with the minimum wage laws, have probably increased poverty, and certainly have increased the load which government now bears in caring for the destitute and dispossessed.

The Keynesian Subterfuge

This load is not inconsiderable as the condition of New York City dramatizes where welfare payments of one kind or another run to over $1 billion per year or over one seventh of the city's budget. But welfare in the restricted sense of the word, meaning relief for the destitute, is, of course, only a small fraction of the total load which American citizens now pay for so-called "public welfare spending" defined as any government payment directly benefiting the recipient, including such massive programs as Social Security, Medicare, Medicaid, unemployment benefits, aid to education, government pensions, and veterans benefits. In 1975 such spending ran at all levels of government to a colossal $287 billions, and now constitute well over 50% of the federal budget as the American version of the Welfare State has flowered and, in many cases, run wild. It is these mounting "transfer payments" which more than anything else today account for huge federal deficits and for inflation, and in this whole area organized labor, acting in its *political* capacity as a lobbying interest group, has played a decisive though not an exclusive role from the days of the New Deal forward.

This propensity of Labor to back almost any measure labelled as contributing to the public welfare is in part attributable to benevolent motives and in part to the notion that government spending and the pumping up of so-called

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"aggregate demand" will lead to more jobs and higher pay checks. This notion received powerful public support in the depression thirties as the result of the writings of John Maynard Keynes whose doctrines are subject to much misunderstanding by friend and foe alike. At the very opening of his celebrated *General Theory of Employment, Interest and Money*, Keynes asserts that he has no quarrel with the classical position which held that the remuneration of workers should conform to their marginal product, and even went on to say that on the short run, and barring capital development, "an increase in employment can only occur to the accompaniment of a *decline* in the rate of real wages." Such decline, however, can be accomplished in two different ways. One might be the cutting of money wages or at least the arresting of their continuous advances. The other would be to raise prices of products *faster* than nominal wages through increased government outlays. Such reflation Keynes argued would reduce real wages for the time being while leaving money wages untouched. The result would be a restoration of profits and the rejuvenation of investment without the costly and unpopular business of wage re-negotiation.

In effect the Keynesian cure for depression and recession involved playing a kind of trick on workers through a species of sleight-of-hand. Unfortunately for theorists, union leaders were quick to see through this subterfuge. During the depression thirties enlarged government spending was gingerly tried out but never restored anything like full employment, partly because the New Deal continued to beat businessmen over the head for their alleged sins, partly because this was a period of rapid increase in unionization accompanied by much industrial warfare, and partly because wages, both nominal *and real*, rose more rapidly than at any previous time in our history. In the post World War II era we have become accustomed to big government budgets and deficits, largely as the result of welfare measures, and in the fifties and early sixties the trio of Big Government, Big Business, and Big Labor seemed to have found a *modus vivendi* without undue inflationary pressures. But of more recent years from roughly 1965 forward this dispensation has tended to unravel, giving rise to periodic bouts of Stagflation where prices, wages, and unemployment may rise together. Far from stimulating real output and jobs, inflation

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

becomes counter-productive.

The reasons are not far to seek. As Milton Friedman has astutely pointed out, inflation can only increase employment opportunities in so far as it is *unanticipated*. Where it is anticipated by trade union leaders, and indeed by all classes of society, it results only in a mindless spiraling of both prices and costs with no net effect on job opportunities and, in practice, a negative effect. For inflation upsets all business calculations for the future and in so doing restrains long-term investment. It also, like the minimum wage, bears heaviest on the poor and dispossessed who are least able to protect themselves from its ravages. In effect inflation as the result of government spending becomes the cruelest and most debilitating tax of all.

The Road to Reform

The challenge now facing the U.S., as well as many other Western democracies, is how they can arrest this process, and two different approaches present themselves. The first, succumbed to by the Carter Administration, is to attempt to control prices and wages by voluntary guidelines and "standards" or by resort to mandatory controls, which the A.F. of L.-C.I.O. now favors. This is a disquieting development since controls are the downhill road to complete government domination of the economy if not to the collectivist state. The second and indeed the only effective course is to get at the roots of inflation not just by stringent credit policy, which bears hardest on the private sector of the economy, but by budgetary restraint. In a wintry and dangerous world there is no chance of cutting military expenditures and, indeed, they should probably be increased. What calls for pruning are precisely those mounting welfare and transfer payments which organized labor, as well as other pressure groups, have always favored. For it is these which lie at the heart of our difficulties.

Yet if fiscal restraint and tax reduction are to succeed, if the dollar is to be restored as a world currency, then I submit that something more is needed – namely, to restore initiative and incentive within the private sector of the economy itself. Sound money and open markets for goods, labor and capital are complementary to each other. With respect to business we are protected by the Sherman Act and by other anti-monopoly laws. In the field of labor we have sowed the whirlwind by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

granting to unions exemptions and privileges that no private group should enjoy. The need here, let it be said in the beginning, is not for more and ever more complex labor legislation of which we already have too much. The need is to enforce certain general prohibitions already on the books while modifying other laws which never should have been passed in the first place in their present form.

As an example of the first objective the primary aim of labor reform should be to enforce to the letter both federal and state legislation, as well as common law practise, which aims to eliminate all forms of violence, overt or covert. The tragedy of our times is that such measures are not being enforced especially in the case of strike action and mass picketing. If, during a maritime strike, one should go down to the waterfront to seek a job, it would presumably not be a striker who would hit one over the head. It would in all probability be a New York City policeman swinging his night stick. As a classic example of this misuse of the police power let me recall a strike at General Electric of some years ago where the Electrical Workers threw up a picket line around that company's huge facilities at Schenectady. In this case far from dispersing the pickets the Schnectady local police and city authorities actually plead with independent workers *not* to try to cross the picket lines lest the effort might result in mayhem and bloodshed! It would be hard to find a better case for illustrating how far the administration of the law now winks at union violence and threat of violence. And violence in all its forms is a disgrace to the high professions of the union movement no less than to a country dedicated not just to liberty but to *liberty under law*.

Secondly, and directly relating to the containment of violence when it does flare, it is time that we returned to the ancient common law principle that every man and every institution deserves his "day in court." This principle was breeched by the Norris-LaGuardia Act of 1932 which made it practically impossible for employers or individual workers to obtain temporary injunctive relief when attacked by union thugs and bullies. As that great labor student, Sylvester Petro, has argued, such temporary injunctive relief was not a way of smashing unions, as the late Supreme Court Justice Felix Frankfurter so perversely held. It was rather a way by which companies and individuals could obtain a temporary stay, or a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"still pond no more moving" edict, against the destruction of life and property until their tempers had cooled and due process of law could weigh the facts of the situation. As of today such protection has been nullified by a mountain of "administrative law" as interpreted by the National Labor Relations Board. From its decisions appeal can still be made to the courts. But by the time such appeal has been made and has ground through judicial process the adversely affected party to a strike has in most cases lost the ball game. As one small employer put it to the McClellan Committee many years ago: "I never lost a case before the N.L.R.B. but I did lose my business!"

Freezing the Free Rider

These two measures – the enforcement of laws against violence and the restoration of temporary injunctive relief to both employees and employers – would in and by themselves go far to curb union excesses. Perhaps they are all that is needed, anyway as a first step. On longer term, however, we should re-examine the provisions of the Wagner Act of 1935 which even as amended by Taft-Hartley gives unions extraordinary privileges. For not only does it *force* all employers at pain of extinction to the bargaining table but so far as unions are concerned it contradicts its own premises. In Section 7 it proclaims as basic principle that all workers shall have the right to join unions *or not*, and engage in union activities *or not* as they may so desire. It then, as noted in the beginning, gives unions *exclusive* bargaining privileges on the basis of a bare majority and permits, unless barred by State action, the drawing of union shop contracts which force all workers to pay union dues regardless of their wishes. This loophole in the law is really the converse of the old Yellow Dog contract which allowed employers to bar all forms of union organization. It is sometimes justified by the argument that without forced union organization there would be many "free riders" who would benefit from union bargaining without payment for it. But surely the simpler way of eliminating the "free rider" would be to rescind the whole exclusive bargaining privilege. In this case the whole free rider argument collapses. Those who wanted union representation would get it. Those who did not want it would bargain for themselves.

This reform particularly commends itself since it would be a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

first and decisive step towards making unions conform to the law of agency as it pertains to most other departments of our economy. Such agencies – note the real estate agent or the literary agent – have a useful place in a free society as paid professional bargainers. But what would one think of a literary agent who insisted that all writers be members of his organization whether they wished his services or not? Or of the real estate agent who declared that, because 51% of the householders on a block or in a district chose his representation, all others should do likewise? It is precisely because unions pose as agents of the working man, yet breach the fundamental law of agency that they raise such an intractable problem. A true agent, for instance, is always suable for malfeasance in the courts of law. Such suits can in some instances be brought against unions but they are relatively few and far between. Progress in domesticating unions will be made as they become amenable to criminal and civil action both by their members and by the public at large whose interests in maintaining services – transportation services, for instance – are today completely disregarded with no legal means of redress.

It will be argued that union reform along the lines indicated above would mean the elimination of unions entirely and returning the worker to a form of industrial slavery. Such arguments must be taken with a large grain of salt. It is worth recalling that, in 1920, long before the passage of Norris-LaGuardia in 1932 and the Wagner Act in 1935, there were some 5,000,000 union members who seemed to get along without these laws. It is also worth emphasizing that today 75% of the U.S. working force earns its way without any unionization at all and that many companies, who at most have small voluntary unions restricted to the enterprise in question, pay *higher* wages than in the heavily organized sectors of the economy where unions are industry-wide. In an industrialized society there will always be room for worker associations since birds of a feather flock together and, as noted in the beginning, such association may do much to better conditions on the factory floor, to restrain over-arrogant supervisors, and in general to mediate between management and employees. What is not true is that without big monolithic unions all wages would collapse to subsistance levels or worse. What sustains wages is the fact that the owners and managers of capital need workers

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as much as workers need tools to work with, and that advance in both real wages and living standards is uniquely geared to capital investment.

The Man and the Lawn Mower

This brings me in conclusion to stress two points – one economic and the other political – where there is wide public misunderstanding which needs correcting if we are ever to free ourselves of union excesses. The first is related to the interdependence of labor and capital as distinguished from the war that is supposed to exist between them. There, common sense is worth a deal of theorizing. In cutting a lawn I invest in a lawn mower, a primitive form of capital. If I handle it properly I shall find at day's end that my lawn looks respectable. If I fight it I shall not get much grass cut and will probably get maimed in the process!

The point is well worth developing because union propaganda, and indeed common word usage, tends to cut the nexus of human work and capital, and to misrepresent the entire owner and managerial function. We speak of owners and their paid managers as "employing" labor. But in truth both are "employed" by a third party – namely, the *consumer* who includes worker, manager, and just about everybody else. The businessman, when all is said and done, is not some kind of demi-god enjoying an assured position in society in his own right. The businessman is nothing more than a *middle-man*, mediating between the desire of the worker to better his condition, and the desire of the public for better and hopefully cheaper goods and services from tooth-brushes to skyscrapers. If the businessman or capitalist judges the needs and tastes of the public correctly he makes a profit, but such profit is not ground out of the hides of employees as posited by Karl Marx in his mistaken theory of surplus value. It is rather the reward of *risk-taking* of the kind that any store-keeper takes when he stocks his establishment *before* a single customer appears. If he has judged the market correctly a margin of profit will show up on his books after all other expenses – wages, the costs of inventory, and rent – are paid. If he judges the market incorrectly, as apparently Abraham Lincoln did when in his early years he took to storekeeping, his penalty will be loss and eventually bankruptcy. We live not in a profit but in a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

profit-and-loss economy.

And precisely because this is the case the function of workers, and the function of entrepreneurs or owners, while complementary, cannot be transposed or merged into one. This becomes clear when we consider how often plans have been put forward whereby workers organized in unions would attempt to share in profit reward. Exercised within a single company, profit-sharing has much to be said for it as an incentive to better work and loyalty. But it should be noted that even here it is seldom carried to its logical conclusion — namely, that when losses are suffered they would be docked from the employee's pay check. Carried out on a grander scale where all workers would share not only in profits but in losses as they occur, the idea of this kind of joint ownership of the means of production becomes wholly unacceptable, and union leaders would be the first to denounce it as exploitative. Modern society has found a way around this dilemma by a kind of division of labor as between employees, on the one hand, and managers and owners on the other. The first is *guaranteed* his pay check as long as he is employed and usually receives a number of weeks benefit in case of lay-off. The owner has no such guaranty of dividend return in good times or in bad. He has already sunk his capital into the venture and must take his chances as to profit or total loss. This would appear to be the fairest sharing of the productive burden that can be worked out. As W. H. Hutt has pointed out, it means that those least able to bear the risks of capital development, and they are very considerable, do not have to take them, and that those most able to bear this risk assume what is by no means always a pleasant or a lucrative responsibiliy.

The Syndicalist Trap

Once this is realized, most union allegations that there is something inherently unfair in the capitalist process fall to the ground. But there is a second and no less potent challenge to our political economy which needs consideration and where once again there is widespread public misunderstanding. It is often averred that as matters are going the U.S. is in danger of socialization as the result of the ever-expanding power of the Welfare State to penetrate and influence our lives. There is no doubt that such a threat does exist as government spending and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regulation of prices and wages grows and multiplies. Yet in the U.S. at least union leaders are rarely exponents of pure socialist theory, — meaning government ownership of the means of production. They correctly sense, and the historical record bears out their perception, that Socialism can no more tolerate unrestricted union power than can capitalism itself. There is no free trade union movement in Russia or in its satellite European states or in post-war China. And in foreign policy matters at least it is not happenstance that it was the A.F. of L.-C.I.O. which hailed the coming of Solzhenitzyn to this country while he was debarred entry to the White House.

But, while opposing Socialism and Communism, American trade unionism and, indeed, the American public, have been much less percipient in taking the measure of a different kind of threat to our institutions. This takes the form of private groups arrogating to themselves coercive powers which should properly belong to government and to government alone. As Irving Kristol acutely pointed out recently, trade unionism, insofar as it has ever had a political philosophy, is infected by the idea not of socialism but of an equally dangerous fallacy — namely, the theory of Syndicalism. The essence of what theory, as developed in the nineteenth century, was that unionism in questing for every greater authority could take over not just the management of business enterprises but in the end take over functions now entrusted to government, making the whole apparatus of the modern state unnecessary. Exactly how this could benefit the worker and the world at large was never spelt out in detail but the embers of Syndicalism continue to smoulder in many union pronouncements and even more in union action and ambitions. As defined by the late, great Samuel Gompers, the aim of unionism is simply to get "more" out of the going economic system. But this "more" is subject to constant expansion in meaning and character. Yesterday it referred to better wages and salaries. Today it connotes more *power*, political no less than economic. The U.S. has yet to undergo the traumatic experience of Sweden where some years ago clerks, judges, and even members of the armed services joined in mass protest against government authority. But clearly, when firemen and policemen, prison guards, and hospital attendants and teachers engage in or threaten strike action against all the interests of the community, the elementary duty

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of government to protect the public interest is then threatened. A few steps further down this road lies the condition of modern Britain where trade unions, in full control of the Labor Party, again can freeze the country by a general strike, can pull down governments at will, and are today a clear and present danger to Parliamentary democracy.

Freedom and Order

There is no need for the U.S. to follow in Britain's footsteps but if this is to be avoided there *is* clear need to reassert the principles on which the American Republic was founded; namely, that men are endowed with certain inalienable rights, and that governments are formed not to grant these, for they are inherent, but to nurture and protect them. In doing so, government in the pungent phrase of the late Henry Simons is by its very nature the "final reservoir of coercive power," as seen in its policy power, and in the military establishment, and indeed in the case of the tax collector. But precisely because government is by nature coercive, its powers must be *limited* and jealously guarded. Our difficulties today stem largely from the fact that we have broken both rules. On the one hand, with the rise of the Welfare State, we have given government far more functions than it can possibly handle. On the other hand, as in the case of unions in particular, the government has, so to speak, "farmed out" its coercive power to a private group which not only threatens the enterprise economy but also threatens the ability of the government to govern. It is in effect besieged by a species of war lords such as once led to the disintegration of China.

But what government has given it can also take away, and the task of true labor reform lies precisely in this direction. In the public sector this means the outright outlawing of strikes against the sovereign; in the private sector it means stripping unions of their monopoly of violence which in most cases makes strikes effective. The job that stretches ahead is therefore more basic than the conquest of inflation, the rehabilitation of the integrity of the dollar, and the consequent restoration of high employment levels. It is to restore constitutional *order* at home, without which all freedoms perish, while summoning the courage and the will to resist the spread of Soviet tyranny which has made no bones about its intention to bury us. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fundamental challenge was posed some two hundred years ago by that sage of common sense, Benjamin Franklin, who remarked at the conclusion of the Constitutional Convention: "We have given you a republic; it is for you to keep it."

* This article will appear as a chapter in *Inflation and Unemployment*, G. Carl Wiegand (Ed.), forthcoming in 1979 from Devin Adair. It is included here with the permission of the Committee for Monetary Research and Education Inc., Greenwich, Connecticut.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Foreign Policy Association

For you, your colleagues, your students

Great Decisions
Compelling, readable, impartial analyses of eight top world topics facing the United States.
Published January 1977 by the Editors of FPA

Topics
Spread of Deadly Weapons
Southern Africa
Middle East Cauldron
Western Europe in Transition
U.S.-Soviet Relations
China and the U.S.
Food and Population
Panama and Cuba

HEADLINE Series
A lively and provocative series on current international affairs problems and critical world areas.

- Written by experts
- Concise but thorough
- Discussion questions and further reading

Published five times a year, February, April, June, October and December.

SEE SPECIAL OFFER ON ORDER FORM BELOW

Mail this order form to: Foreign Policy Association, 345 East 46 Street, New York, NY 10017

☐ Please send me _____ copies of **Great Decisions '77**. Price per copy: $4.00 plus 40¢ for postage and handling. Discounts for orders of ten or more copies.

☐ Please enter my subscription to HEADLINE Series. ☐ one year, $7.00 ☐ two years, $13.00

If you order **Great Decisions '77** and/or subscribe to HEADLINE Series, you can receive, **free**, any three of the latest issues in the HEADLINE Series. Just check the three of your choice:

☐ "The Marshall Plan, 1947-1951" by Theodore A. Wilson (HEADLINE Series #236, June 1977)

☐ "China and America: Past and Future," by Michel Oksenberg and Robert B. Oxnam (HEADLINE Series #235, April 1977)

☐ "The Debate Over Detente," by Charles Gati and Toby Trister Gati (HEADLINE Series #234, February 1977)

☐ "The Fate of Facts in a World of Men—Foreign Policy and Intelligence Making," by Thomas L. Hughes (HEADLINE Series #233, December 1976)

☐ "Nuclear Proliferation: A Strategy for Control," by Andrew J. Pierre with Claudia W. Mayne (HEADLINE Series #232, October 1976)

Name (please print) _____

Affiliation _____

Address _____

City _____ State _____ Zip _____

☐ Payment enclosed. ☐ Please bill me.

FPA is a nonpartisan, educational, tax-exempt organization.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

GENETIC SCIENCE, SOCIAL MORALITY AND THE FUTURE OF MANKIND

By J. W. Jamieson

Recent developments in genetic science have led some writers to project the vision of an age in which Homo sapiens flourishes free from genetically-transmitted, inbred handicaps. Unfortunately the available evidence does not support this optimistic viewpoint. The acquisition of scientific knowledge is one thing; the political decision to utilize it is another. If mankind avoids the planet-wide catastrophe now threatening it as a consequence of the misapplication of technology – resulting in pollution, overpopulation, and dysgenic reproductive selection – it is true that we then might set no limits to our visions of future evolutionary progress, including even the further evolution of human intelligence. But the question which confronts us is stark and simple: Is is possible that contemporary social, economic and political conditions will permit such a breakthrough, or will they instead channel human history yet further towards the already threatening cataclysm.

Mankind faces dysgenic selection -- devolution or genetic retrogression – as a result of several causal factors. The first of these is mutation – and the failure of what is called natural selection to eliminate disadvantageous genes from our modern populations – large and increasingly heterozygous as these are. The second is simply the failure of natural selection to bring about favorable patterns of differential reproduction in our modern complex social conditions – the failure of natural selection to ensure that those individuals and groups of individuals carrying favorable genes reproduce more prolifically than those carrying genes which would be less beneficial, or even a handicap, to the long-term survival of our species into the future.

The Frustration of Natural Selection

Let us first examine the case of the proliferation of adverse mutations due to the failure of natural selection to operate effectively in contemporary western-type societies. What I am saying here does not apply to those populations, such as tribal Indians of the Amazon, who are still subject to the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rigorous process of natural selection which was formerly common to all mankind.

Mutations, or abrupt changes in the genetic message caused by cosmic radiation and other factors, occurs constantly – though possibly at varying rates under varying conditions. Some small percentage are beneficial – otherwise evolutionary advances and evolutionary adaptation and progress (as in increased intelligence) could not have occurred. Other mutations may be regarded as virtually neutral in their impact, neither improving nor damaging the survival capacity of the organism to any marked extent. But by far the greatest proportion of these presumably random changes will prove to be deleterious to the survival chances of the offspring of the affected organism, in the same way that random changes in the structure of an automobile engine are in general less likely to improve its balanced efficiency than the contrary. In possibly the majority of cases, mutations result in the failure of the affected organism to produce live offspring – and so are self-eliminating. But in many other cases the affected organism does succeed in producing offspring, and passes the mutant and deleterious gene on to some at least of these offspring. If natural selection fails to prevent these affected offspring from reproducing at the same rate as healthy members of the species, the disadvantageous mutation will tend to spread throughout the entire breeding population.

As we have noted, mutations continue to affect our species constantly, and the survival of our species, free from serious dysgenic effects, is therefore dependent upon the operation of natural selection to control and counterbalance the adverse effects of mutation. Natural selection achieves this by ensuring that individuals affected by adverse mutations reproduce at a disproportionately lower rate than those free from the effects of such mutations. Natural selection does not necessarily imply the physical elimination of the less healthy – or the less fitted to survive – all that is necessary for natural selection to take place is that the less healthy should produce a smaller percentage of the next generation. Evolution is concerned with races and species, not with individuals, who are from the evolutionary viewpoint of no significance except as links in the phylogenetic continuum.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Threat to Intelligence

The second major factor threatening the future of our species, and in particular the future of the populations of the so-called "Western" world, is the challenge to intelligence. While the extent to which the capacity for intelligent behavior can be modified by environment is not yet known, none will deny that genetic factors participate heavily in determining the limits of intelligence. Furthermore, as we move progressively further into an age of science and technology, intelligence becomes an increasingly important prerequisite for the maintenance of civilization. Even a few points on the I.Q. grade can make a significant difference to mathematical ability.

While proud of our achievements in the area of space travel we seldom stop to enquire what percentage of our modern population are genetically capable of qualifying as airline pilots, without even asking how many have the genetic capacity to pilot spacecraft. While pondering this question, we might ask another question: what percentage of our population have the genetic capacity (as distinct from the training) to participate in the further advance of both the pure and the applied sciences? Although we do not have the ability to give a definite response to these questions, they nevertheless raise issues which are — or should be — of grave concern to all of us.

Unfortunately, the evidence suggests that in those more complex societies which have collated data relating to intelligence and fertility, a negative correlation tends to exist between the two. In brief, this means that the less intelligent members of contemporary complex societies tend to reproduce more rapidly than the less intelligent: creating a perilous situation College graduates tend to have fewer children than those who do not attend college, and the same pattern can also be seen in the contrast between fertility in the middle income groups and fertility in the lower income groups. If our modern western societies were feudal or castelike in character, with little social mobility, this would be of lesser importance — but with increased equality of educational opportunity we are witnessing a situation in which the brighter individuals have a better chance — no matter what social strata their parents were in — to obtain a better education, and to move into those income levels at which they are more likely to have fewer children.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Our wars have also tended to become highly dysgenic, probably in general physical qualities as well as in intelligence. Today the combat personnel who suffer the most serious casualties, such as aircrew, are of necessity drawn from the above average level of physical and intellectual healthiness, and are too often younger people who die leaving few offspring behind them. By contrast, those elements of the population judged unfit for military service for medical and intellectual reasons have now every opportunity to survive our wars and to become the progenitors of posterity.

Even the current concern with world overpopulation may be exerting a disadvantageous genetic impact, as there is evidence to suggest that those elements of the world population that are concerned with this problem, and are deliberately restricting their own population, are of above average intelligence. The case of the two Canadian university professors who decided to adopt a child rather than have children of their own – citing world overpopulation as their reason – provides us with an extreme example of a misguided application of human knowledge to an essentially evolutionary problem. Professor Garrett in his latest book *The Limits of Altruism* (2) has touched upon this issue, suggesting that each nation or people should be held responsible for the maintenance of their own population, and that no one segment of the world population has the right to expand its numbers at the expense of other peoples. When we analyze the problem dispassionately we realize that in the ultimate reality, immigration is a form of conquest.

In general it can be claimed that virtually all "thinking" men and women wish that posterity will be able to enjoy a more happy, virtuous and dignified existence than that which our contemporaries experience today. Unfortunately, the majority of these "thinking" men and women – possibly over-aware of their own relative inability as individuals to influence the grand course of human history – allow themselves to fall into the deceit of escapism. When escapist attitudes become widespread, rationalizing our own individual ineffectiveness into broad universal philosophies which justify the failure of mankind to act intelligently in respect of the genetic and evolutionare environment, the entire future of our species is placed in jeopardy. While our pre-sapiens ancestors could not influence their own evolutionary destiny, modern Homo sapiens have

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

now acquired that power for better or for worse. The failure to apply such power in an intelligent fashion can be dysgenic and devolutionary in its effects – for whether we like it or not, human social and cultural behavior is affecting the course of human evolution in directions quite different from those determined by natural selection at a pre-cultural level. We cannot put back the clock: today and in the future human social and cultural policies will continue to exert a profound influence over human evolution. The only choice we have is whether to allow our knowledge of the genetic processes to influence our social policies and morality, thereby taking an active role in determining our own future evolution, or to refuse such scientific considerations when making social decisions. The former policy will reduce human suffering in future generations, while the latter will allow the future course of evolution to follow a direction which we may well find highly unpleasant and distasteful.

Conclusion

The ability of natural selection to operate in a truly "natural" way on our species has been severely restricted by the growth of very "unnatural" (i.e. anti-evolutionary) moral and social philosophies, political dogma, and, of course, religious beliefs. The very idea of eugenics – which is nothing more than a conscious attempt by man to adopt a reproductive ethic in keeping with the principles of evolution and natural selection, and to eschew social beliefs and practices antithetical to the happiness of posterity – is anathema to so many people of religious, political and economic convictions of pre-scientific origin, that possibly the majority of men and women in the world are quite incapable of considering the genetic future of mankind dispassionately and logically because of cultural prejudices. Yet the truth is very simple. Today our knowledge of the mechanism of heredity is sufficiently advanced to allow us to forecast and avoid the birth of multitudes of individuals who will suffer from debilitating hereditary weaknesses, thus allowing their place (in this increasingly overcrowded world) to be filled by similar individuals free from such defects – who might otherwise never have been born. If there is room only for x number of people in the world, or in a given family, why should not these people be healthy and happy, instead of tragically handicapped and dependent upon other healthy

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

individuals around them? What right have we knowlingly to condemn future generations to ill-health and defective hereditary conditions which we would not wish upon ourselves? Which course of action, the eugenic or the ignorant and dysgenic, is the more charitable – which is more in keeping with a true spirit of enlightened love, intelligent sympathy, and realistic concern not merely for ourselves, but for the entire posterity of mankind.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK REVIEWS

DREW MIDDLETON
The Duel of the Giants
Charles Scribners' Sons, New York, 241 pp., $10.95

Events in Indo-China, and the recent recognition of the PRC by the United States, accompanied as that formal gesture is by massive technological assistance and the training of Chinese mainland scientists in the U.S.A., have brought into ever sharper focus the question of future Sino-Soviet rivalry. Going beyond the propaganda wars of the last two decades, and translating into flying lead and bleeding flesh the strange sounding rhetoric of Brezhnev and Teng-Shou-Ping, the Sino-Vietnamese border war was yet another instance of the two Communist camps trading live ammunition as well as ideological arguments.

Drew Middleton's credentials for examining the apparent rupture are significant. As military editor of the New York *Times*, and as a hard-headed analyst of strategic capabilities, he is at his best when dissecting the military stances of the Soviets and Chinese – which topic he supplements with a dispassionate account of the historic background to Russian and Chinese rivalry.

The geopolitics of the situation outweigh all ideology, notwithstanding the intricacies Marxist cant about revisionism and social imperialism. Had Marx and Lenin never lived, tension would now still be brewing between the masters of sparsely-populated but mineral-rich Siberia and those of the neighboring mainland China, with its population of around one billion men, women and children – still rapidly increasing in number.

The Russians snaked across Siberia in the 16th and 17th centuries; the Treaty of Nirchinsk, the first between the Middle Kingdom and the West, was signed with Russia in 1969. Although Russia pledged to keep its forces west of Lake Baikal, its influence inevitably gravitated toward both the Pacific and Central Asia – and even into China itself, reaching Harbin and Darien on the Liaotung Peninsula at the beginning of this century.

The upshot was that by the time Nikita Khrushchev was

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

describing Mao's call for world conflagration as the words of "lunatics and maniacs," the Chinese were publicly claiming 580,000 square miles of Soviet territory and hinting broadly about their claims to other areas such as Vladivostok and the Kamchatka Peninsula. A decade of such squabbling led to open conflict on March 2, 1969, on Damanski Island on the Manchurian Soviet Maritime Province border, and again on August 13, 1970 in Western Sinkiang. In both cases the Chinese were soundly trounced.

These results were indicative of the entire state of Chinese economic and military posture. Middleton evinces a great deal of personal sympathy for the Chinese, finding them to be industrious and at the same time disarmingly frank about many of their shortcomings. It is apparently for similar reasons that the present American administration has chosen to aid Red China in the area she most needs – technology – to enable her to modernize rapidly. The extent to which this has been done in order that China might act as a counterweight to Russia is not clear, but this aspect must surely have been considered.

After the disruptions of the Great Leap Forward and the Cultural Revolution China's poorly developed economy appears to have deteriorated further, a decline aided by the removal of Soviet aid and advisors in 1960. In many cases, the Russians took with them even the blueprints for half-completed projects. The Red Chinese, proud of what they have accomplished, still lack a skilled work force and until they can remedy this with the help of the western powers, will continue to the second cohort of world economies.

Oil plays a large part in discussions of both the Siberian and the Chinese economies. Both have tremendous reserves, both lack the advanced technology to exploit them fully, and both need the revenues from petroleum exports to finance the modernization of the rest of their economies.

The imbalance in military terms is even greater than that found in the economic sphere, despite the vast manpower reserves that Peking controls. In consequence their active forces have only a slight numerical edge over the Red Army of Moscow – 3.95 million to 3.68 million, but they control an armed militia of 7 million, an urban militia of several additional millions, a Civilian Production and Construction Corps of about 4 million, and a basic reserve militia of between

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

75 to 100 million.

At the present time most of these units are unequipped and possess little training. Even the equipment of their regular units is ancient in current military terms. As confirmed in the recent Sino-Vietnamese war, their strategies are shaped by the outdated tradition of the Long March — and by even older thinking. In an age of nuclear weapons and laser sightings, they train extensively with bayonets, and still maintain a force of cavalry. Even their vaunted and extensive tunnel system for civil defense is weakened by shoddy construction and over-optimistic views of their ability to resist a nuclear bombardment.

The Soviets, of course, have their own problems, especially the traditional problem of the massive logistics involved in moving supplies across vast distances of bleak Siberian countryside, yet their preponderance in both nuclear and conventional forces is such that as long as they refrained from attempting to occupy the entire Chinese territories (and thus become engaged in protracted guerrilla warfare), they would have little serious difficulty in defeating the present-day Chinese People's Liberation Army. If they felt free from U.S. interference, Middleton feels, they would launch a surprise attack on the Manchuria-Peking quadrant of China (being prepared, if necessary, to utilize tactical nuclear weapons) and after seizing control of that region could sit back and dare the Chinese to oust them, secure in the knowledge that this would be impossible.

Middleton does not go so far as to suggest what U.S. policy toward the Chinese should be relative to this titanic struggle, but he implies that U.S. aid to China could be beneficial to the U.S. "if American leaders and diplomats are as tough as the Chinese. . . . The Chinese will demand much from America . . . and offer little in return."

The Chinese situation, of course, has proved so fluid in the last three decades that most prophecies on the subject look pathetically foolish nowadays. Middleton wisely avoids such prognostications. However, the cautious reader is driven to ask a vital question. Given the fact that both Moscow and Peking show no sign of moving away from their Marxist philosophies, can the Western world afford to build Chinese communist strength with technological and financial aid, in the belief that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by creating two communist giants it will find protection in their anticipated rivalry? So few people in the West truly understand China – that the fashionable urge to aid Peking today may well be deeply regretted by those responsible for maintaining freedom in future decades.

David Pietrusza

KONRAD LORENZ
Behind the Mirror
Harcourt, Brace Jovanovich

Every book by Nobel Laureate Konrad Lorenz has made a significant impression on its readers, and his major work, *On Aggression* can also be said to have had a significant impact upon professional anthropologists – a breed slow to be influenced by the opinions of specialists outside of the anthropological world.

Now, in *Behind the Mirror,* Lorenz points out that man's view of the outside world is too often shaped by ideological preconceptions, so that "the realist persists in looking outwards only unaware that he is a man. The idealist persists in looking into this mirror, averting his eyes from the external world. Thus, both are inhibited from seeing that there is an obverse to every science... The physiological mechanism whose function it is to understand the real world is no less real than the world itself. This very obverse is the subject of my book."

Declaring that he himself only came to realize late in life that the human mind and human civilization can, and must, be studied by using the methodology of natural science, Lorenz explains that it was the physician in him that rebelled against the prevailing narrow-mindedness that prevented men from realizing that a theory of human knowledge must be formulated on "biological and phylogenetic" information. Too many philosophers and social scientists have rejected this approach "if not as an out-and-out blasphemy, at least as exceeding the competence of science and as 'biologizing'."

Approaching the study of man and culture from the point of view of Donald Campbell's "evolutionary epistemology" and Walter Robert Corti's "genetic philosophy", Lorenz has concluded that culture is itself a living thing which is an integral part of the evolutionary process – much as Herbert Spencer portrayed it to be when he referred to it as the "super-organic."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

However, Lorenz's major concern is that cultures, and more specifically civilizations, develop then decline — and he states that "the progressive decay of our civilization is so obviously pathological in nature, and so obviously shows the symptons of mental sickness, that it has become a categorical necessity to employ the diagnostic methods of medical science in order to study human civilization and the human mind." The majority of the diseases that threaten the survival of our civilization "concern men's social and moral behavior."

Yet Lorenz is dismayed to note that "the barrier (against a scientific and objective enquiry into the sickness of civilization) is being strengthened at the very point that it needs to be broken down. The philosophical camp considers it blasphemy to utter the banal truth that man, like all living creatures, behaves in ways acquired phylogenetically and specified by heredity." The problem is that it is "difficult to accept the notion that the evolution of our culture is not controlled by our will, still less by the power of abstract thought and reason."

Possibly Lorenz's most original and revolutionary thought in this remarkable book is that "One meets with passionate opposition from non-biologists when one attempts to explain that, in spite of its universal tendency to develop from the simple to the complex, from the probable to the improbable — in a word, from the lower to the higher — the whole of organic life is governed by the laws of chance and necessity. The widespread rejection of Jacques Monod's famous work,(1) for instance, is emotional in origin and can only be understood as such. To realize that the great laws of nature admit of no exceptions seems to conflict with our consciousness of free will and with the value we attach to it as one of the supreme human possessions as an inalienable human right."

Lorenz does not quote specific examples of the sicknesses which he declares undermines our civilization today; he is content merely to indicate that these comprise cultural and ideological complexes which are anti-evolutionary and anti-survival in their orientation in so far as they require men and women to act in ways which conflict with their phylogenetically determined natures. Yet he is not totally pessimistic. "To be sure, mankind finds itself in greater danger than ever before," but he believes that "the views I have advanced here

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are shared by a rapidly growing number of thinkers." In consequence, new "modes of thought that belong to the realm of natural science" have for the first time in human history presented us with the opportunity to study human culture in a truly objective manner, and so potentially ward off the forces that have destroyed all earlier civilizations."

(1) J, Monod, "Chance and Necessity; An essay on the Natural Philosophy of Modern Biology" New York: Knopf (1971)

John T. Thompson

JOHN BURTON
The Trojan Horse
Adam Smith Institute, Leesburg, Va., 1979

In *The Trojan Horse* John Burton shows how British unions have exploited their links with the Labour Party to such a degree that the legal privileges and immunities they have obtained make them "exempt from the ordinary law of the land."

Many commentators see the growth of union power as the result of increasing economic interdependence -- and hence greater strike threat power available to the unions. Burton argues that this theory is in error.

Union power in Britain is better explained by the success of the unions in obtaining changes in the law. In the twentieth century the unions have moved into the political arena by establishing a political party to represent their own vested interests — the Labour Party. Through their support of this party, the unions have not only been able to have enormous influence over successive Labour governments, but have also been able to frustrate Conservative administrations.

Political levies imposed by unions on their members — whether they are Labour Party supporters or not — now constitute the bulk of Labour Party funds. The unions also sponsor over 100 Labour members of Parliament and command an overwhelming majority of votes at the Party's annual conference and on its National Executive Committee.

Unions have used this power to block all attempts at reform by either Conservative governments or by elements in Labour governments. Furthermore, they have forced Parliament to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stand idle amid terrifying violence by mobs of "pickets."

The Trojan Horse of trade unionism has been dragged inside the walls of British democracy, on the supposition that if union power were appeased it would become responsible. Britain is now reaping the consequences.

As Madsen Pirie of the Adam Smith Institute writes in his introduction:

> John Burton's study shows quite clearly that this problem has not been solved in Britain. Far from setting into an equilibrium relationship with their society, the British labor unions have been engaged in a progressive and accelerating accumulation of power. It may be that this power has receded slightly from its peak of 1974/1975, but there is no evidence that this minor setback is anything but an immediate response to adverse economic conditions in a peculiar electoral situation, or that the power will not again start to accumulate.

WALTER J. RAYMOND
Dictionary of Politics
Brunswick Publishing Company, Lawrenceville, Va.(1979)

Author Walter Raymond, Professor of Political Science and Department Chairman at St. Paul's College, has produced a massive 825 page "dictionary" which is encyclopedic in its dimensions. Besides entertaining and stimulating the reader with the author's own original comments on the 4,600 items included between its cover, this book comprises easy-to-read and easy-to-understand, factual information about American and foreign political systems, processes, and institutions, all illustrated by numerous charts, graphs, tables and historical documents.

In addition, there are entries relating to specific figures in the U.S. political and legal world, as well as data relating to economic affairs, raw material resources, and demographic problems. A useful addition to the library of every serious students of political science, which should certainly be on the shelves of every college library.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Institute of Economic Affairs

2 LORD NORTH STREET WESTMINSTER SW1P3LB

—LONDON—

"In this country, *Britain*, I believe the old Fabian left is intellectually bankrupt. It has nothing to say that any longer can excite the enthusiasm of the youth. The young in this country are far more likely to be attracted by the free-market doctrines that are so effectively presented by the *Institute of Economic Affairs* than they are likely to be by the standard socialist tack which still dominates university reading lists."

Hoover Foundation Lecture at Strathclyde Business School, Scotland, April, 1978.

We invite you to take out an annual subscription—only 35 dollars—to our publications through our North American agent, from whom you can also obtain a catalogue of all our titles in print.

IEA

Transatlantic Arts Inc.
North Village Green
Levittown
N.Y. 11756

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the fraser institute

UNEMPLOYMENT INSURANCE **NEW RELEASE**

Global Evidence of its Effects on Unemployment

This book contains thirteen papers originally presented at an **International Conference** held in **Vancouver.** The proceedings begin with a broad, non-technical examination by the two editors, **Herbert G. Grubel,** Professor of Economics, Simon Fraser University and **Michael A. Walker,** Research and Editorial Director, the Fraser Institute, of the relationship between "moral hazard", unemployment insurance and the rate of unemployment.

In **Parts I and II,** the participating economists examine, empirically and theoretically, contemporary experience of national programs for dealing with unemployment in nine countries: in the **United States (Daniel S. Hamermesh); Canada (Ronald G. Bodkin** and **André Cournoyer); New Zealand (Geoff P. Braae); Sweden (Ingemar Stähl); Belgium (M. Gerard, Herbert Glejser** and **J. Vuchelen); Ireland (Brendan M. Walsh); France (Emil-Maria Claassen** and **Georges Lane); Federal Republic of Germany (H. König** and **Wolfgang Franz);** and **Italy (Paolo Onofri** and **Anna Stagni).**

In **Part III,** to add an historical perspective, two papers examine British social insurance systems—the 19th century Poor Laws **(Stephen T. Easton)** and the unemployment relief of the 1918-1939 inter-war period **(Daniel K. Benjamin** and **Levis A. Kochin).** This Part also contains an econometric study of unemployment insurance programs across a number of countries **(Dennis Maki** and **Zane Spindler).**

In addition to the delivered papers, the book contains provocative discussions by an international roster of economists who commented on the formal proceedings: **Melvin Reder; Erwin Diewert; John Helliwell; Stephen M. Hills; Michel Bergeron; Joseph E. Hight; Angus Maddison; Ernst Berndt; Louis Jacobson; Martin Feldstein; Samuel Brittan** and **John Cragg.** The informal discussions are summarized by **Sandra S. Christensen.**

400 pages • 21 charts • 18 pages of extensive bibliographical references and notes
82 tables • $12.95 paperback • ISBN 0-88975-008-4

OIL IN THE SEVENTIES Essays on Energy Policy

Edited by **G. Campbell Watkins,** President, DataMetrics Limited, Calgary and Visiting Professor of Economics, University of Calgary and **Michael Walker,** Research and Editorial Director, the Fraser Institute, Vancouver.

In Part One, *Energy in the Marketplace,* contributors include **Russell S. Uhler** of the University of British Columbia (on economic concepts of petroleum energy supply); **Ernst R. Berndt** of the University of British Columbia (on Canadian energy demand and economic growth); and **G. Campbell Watkins** (on Canadian oil and gas pricing).

In Part Two, *Government in the Marketplace,* contributors include **Walter J. Mead** of the University of California, Santa Barbara (on private enterprise, regulation and government enterprise in the energy sector); and **Edward W. Erickson** of North Carolina State University and **Herbert S. Winokur, Jr.,** of Harvard University (on international oil and multi-national corporations).

In Part Three, *Oil in the Seventies: Policies and Prospects,* contributors include **G. David Quirin** and **Basil A. Kalymon,** both of the University of Toronto (on the financial position of the petroleum industry) and **James W. McKie** of the University of Texas at Austin (on United States and Canadian energy policy).

Milton Friedman has described *Oil in the Seventies* **as: "an extraordinarily good collection (of essays) which maintains a uniformly high standard throughout".**

320 Pages • 17 Charts • 25 Tables • Index
$3.95 paperback ISBN 0-88975-011-4 $14.95 hardcover ISBN 0-88975-018-1

20 page illustrated catalogue available on request.

AVAILABLE AT BOOKSTORES OR BY MAIL FROM THE FRASER INSTITUTE, 626 BUTE STREET, VANCOUVER, BRITISH COLUMBIA, CANADA V6E 3M1

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ACADEMIC REVIEWER

SPRING–SUMMER, 1979

Editor: ROBERT A. SCHADLER

Books and Authors Reviewed

Economics

The Inflation Crisis and How to Resolve It, by Henry Hazlitt 2
The International Money Game, by Robert Z. Aliber 3
It's No Sin to Be Rich, by William Davis 6

Education

Teaching Styles and Pupil Progress, by Neville Bennett 7

History

Gone for a Soldier: The Civil War Memoirs of Alfred Bellard 10

Literature

The Life and Extraordinary Adventures of Private Ivan Chonkin, by Vladimir Voinovich 11

Philosophy

Being and Logos: The Way of Platonic Dialogue, by John Sallis .. 13

Political Science and Foreign Policy

Agreement on Berlin: A Study of the 1970–72 Quadripartite Negotiations, by Dennis L. Bark 14
A New Constitution Now, by Henry Hazlitt 16
Murder of a Gentle Land: The Untold Story of Communist Genocide In Cambodia, by John Barron and Anthony Paul 17

Psychology

Crime or Disease? by Antony Flew 19
The Psychology of Conservatism, edited by Glenn D. Wilson 20

Public Policy

The Politics of Planning: A Review and Critique of Centralized Economic Planning, edited by L. Chickering 22
Uncontrollable Spending For Social Services Grants, by Martha Derthick 24

Religion

Karl Barth and Radical Politics, edited by G. Hunsinger 26
On Synthesizing Marxism and Christianity, by Dale Vree 27

Recent Books of Interest 29

© Intercollegiate Studies Institute, 1979. All rights reserved. *The Academic Reviewer* is published one time per semester by the Intercollegiate Studies Institute, Inc., 14 South Bryn Mawr Avenue, Bryn Mawr, Pennsylvania, 19010. *The Academic Reviewer* is sent free of charge to all subscribers of *The Intercollegiate Review* as an additional service. It is not available on a subscription basis except by subscribing to the *Review*. Complimentary copies, however, will be sent upon request.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Canadian Public Policy
Analyse de Politiques

In the four years since it was launched *Canadian Public Policy* has become established as the leading journal for the discussion of economic and social policy in Canada. It provides a forum for the discussion of ideas, results of research, criticism of policy and policy proposals.

SOME RECENT AND FORTHCOMING ARTICLES

D.K. ALPER and R.L. MONAHAN	Bill C-58 and the American Congress: The Politics of Retaliation
JOSEPH ARVAY	Newfoundland's Claim to Offshore Mineral Resources: An Overview of the Legal Issues
L. COPITHORNE	Natural Resources and Regional Disparities: A Skeptical View
M.J. GORDON	A World Scale National Corporation Industrial Strategy
J. LIGHTBODY	The Reform of a Metropolitan Government: The Case of Winnipeg, 1971
A.M. MOORE	Fact and Fantasy in the Unity Debate
S. OSTRY, G. DION and P. WEILER	Industrial Relations after Wage and Price Control: a panel discussion
A. TUPPER	Public Enterprise as Social Welfare: The Case of the Cape Breton Development Corporation
D. USHER	The English Response to the Prospect of the Separation of Quebec
J.R. WOOD	East Indians and Canada's New Immigration Policy

Editor: J. Vanderkamp

Editorial Office: Arts Building, University of Guelph. Guelph, Ontario, Canada, N1G 2W1

Annual Subscriptions: Individuals $14; institutions $18; students $9. Send order with advance payment to address above.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Now Available:

The Servile State
By Hilaire Belloc

A perceptive warning, first published in 1913, of the consequences of statism and the effect of socialist doctrine on capitalist society. With an introduction by Robert Nisbet. "A landmark of political thought in this century"—Walter Lippmann. Hardcover $8.00, Softcover $2.00.

Popular Government
By Sir Henry Sumner Maine

A classic inquiry into the conditions necessary for the success of representative government, by the author of *Ancient Law*. This edition includes Maine's famous essay on "The Constitution of the United States." Hardcover $7.95, Softcover $1.95.

Arator
By John Taylor

The most popular and influential work by John Taylor of Caroline, foremost philosopher of the conservative Jeffersonians. This edition includes sixty-four essays, practical and political, on farming and the social order of an agricultural republic. Edited and with an introduction by M. E. Bradford. Hardcover $9.00, Softcover $3.00.

LibertyPress LibertyClassics

We pay postage on prepaid orders.
To order these books, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. L4
Indianapolis, Indiana 46250

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED